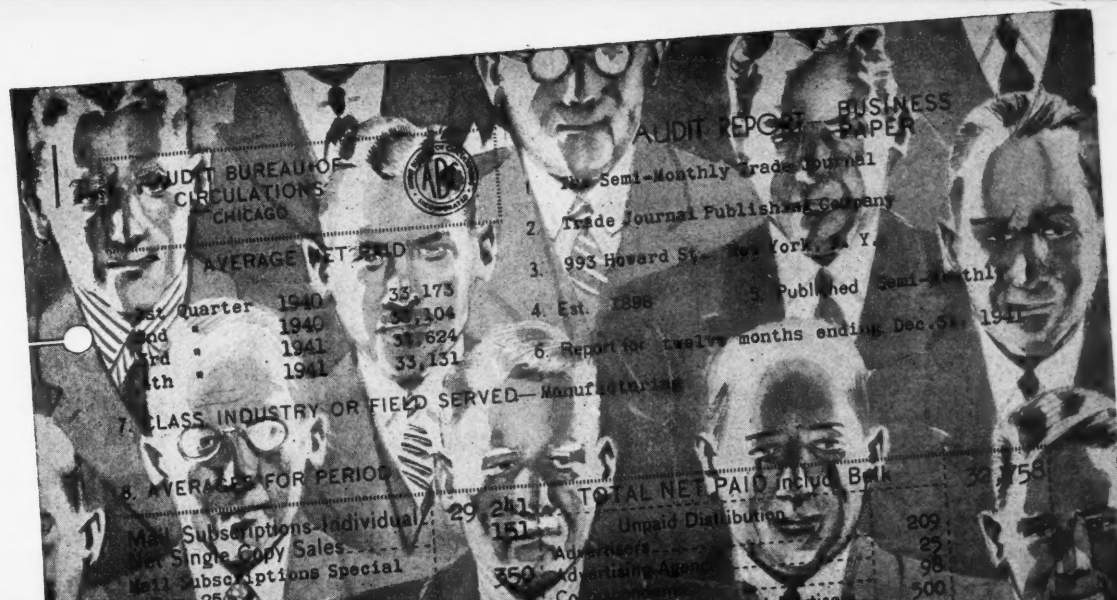


The NATIONAL UNDERWRITER

Life Insurance Edition



Advertisers—See what you buy!

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TO careful space buyers an A.B.C. circulation report is like a set of action photographs. Figuratively, every paragraph is a picture of the facts and methods that have a bearing on the value of the circulation to the advertisers' business.

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the circulation was obtained. Paragraph 21 shows the subscribers who are in arrears. Subscribers who renew their subscriptions are seen in Paragraph 22. These are only the high spots in the complete circulation picture that is presented in every A.B.C. report.

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SEND THE RIGHT MESSAGE TO THE RIGHT PEOPLE

Paid subscriptions and renewals, as defined by A.B.C. standards, indicate a reader audience that has responded to a publication's editorial appeal. With the interests of readers thus identified, it becomes possible to reach specialized groups effectively with specialized advertising appeals.

The NATIONAL UNDERWRITER

Member of the Audit Bureau of Circulations



Ask for a copy of our latest A. B. C. report

A. B. C. = AUDIT BUREAU OF CIRCULATIONS = FACTS AS A MEASURE OF CIRCULATION VALUES

FRIDAY, AUGUST 28, 1942

United Life and Accident Insurance Company

Concord, N. H.

Representatives

have something unusual to sell. Ask the man who owns a United Life and Accident Insurance contract which contains:

1. Life Insurance
2. Double Indemnity
3. Triple Indemnity
4. Non-cancellable Accident Insurance
5. Waiver of Premium

Territory Available for New General Agencies in Pennsylvania and Delaware

Write

WILLIAM D. HALLER
Vice President and Agency Manager



HOT TO MORE INSURANCE CONVENTIONS THAN ANY OTHER HOTEL IN THE WORLD

Chosen by more than 100 Insurance Organizations as their meeting place—many returning again and again . . . A true "Mecca" for the Insurance Fraternity . . . Where you'll always meet your friends and associates.

W. M. Dewey, *Managing Director.*
Phil. J. Weber, *Res. Manager.*



Edgewater Beach HOTEL

ON LAKE MICHIGAN • CHICAGO



A General Agent's Earnings In a Small Metropolitan Agency

Agency established in 1935 in a city now humming with defense work.

Year	Per. Prod.	Earnings on Per. Prod.	Total Agency Prod.	Total Earnings
1939	\$101,673	\$1,976	\$605,320	\$5,535
1940	\$123,569	\$2,243	\$224,569	\$4,553
1941	\$142,811	\$4,083	\$186,811	\$6,952

General agency openings in California, Oregon, Washington, Idaho, Montana, Utah and Wyoming. Look up our financial statement.

WESTERN LIFE INSURANCE COMPANY

Since 1910

HELENA

MONTANA

Assets \$16,444,465
Surplus \$2,410,000

R. B. RICHARDSON
President

LEE CANNON
Agency Vice President

A SOUND PARTNERSHIP

YOU AND
THE
SUN LIFE
ASSURANCE
COMPANY
OF CANADA

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 35

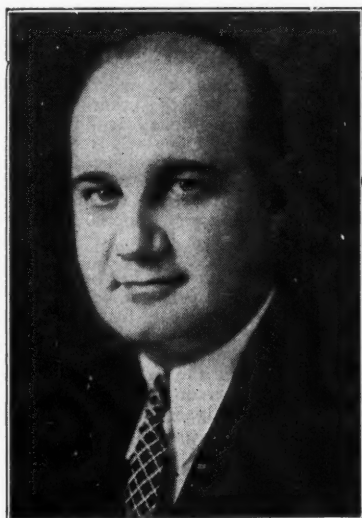
CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, AUGUST 28, 1942

\$3.50 Year, 20 Cents a Copy

Effect of War on Reinstatements, Disability Clauses

Some of Dangers Are Reviewed Legally at Detroit Meeting

DETROIT—Some very real problems have been created in life insurance by the war, and several of these were presented and discussed at the round table on life insurance law at the convention of the insurance section of the



RALPH H. KASTNER

American Bar Association here this week.

Ralph H. Kastner, associate counsel for the American Life Convention, ably presided over the session. Hubert S. Lipscomb, Jackson, Miss., dealt with the "Right of Life Companies to Use War or Aviation Clauses in Connection with Reinstatements"; Joseph R. Burcham, attorney of General American Life, with "Effect of Acceptance of Premiums for Disability or Double Indemnity Benefits Containing War Exclusion Clauses while Insured Is in the Armed Forces," a paper presented by him and Powell B. McHaney, vice-president and general counsel of General American, and Herbert B. Thompson, Detroit, with "Modification of Life Insurance Trusts as Required by the War." The latter is treated elsewhere in this issue. Mr. McHaney was unable to attend the meeting because of the illness of his father.

On the use of war or aviation clauses in connection with reinstatements, Mr. Lipscomb reached several general conclusions.

If the company, under the reinstatement clause contained in the particular

(CONTINUED ON PAGE 20)

Claim Association Program Announced

Impact of War on Insurance is Theme of International Meeting

Impact of war on insurance is the central theme of the program for the annual meeting of the International Claim Association, to be held in Chicago Sept. 14-15. Godfrey M. Day, Connecticut General Life, president, will preside. Entertainment features have been eliminated. This will be an all-business conference, with the usual three day sessions crowded into 1½ days.

The executive committee will meet Sunday prior to the convention, with W. E. Hein, State Mutual Life, presiding as chairman.

President Day will give his annual message at the opening session Monday. The membership committee report will be read by John W. Ayer, New England Mutual Life, chairman, and the legal committee will make a special report on "The Effect of War on Insurance." This will be broken into four sections. W. K. Miller, Fidelity Mutual Life, chairman, will cover "Life Insurance Contracts"; J. G. Kelly, Mutual Life of New York, "Disability Insurance"; J. F. Handy, Massachusetts Mutual Life, "Double Indemnity," and K. C. Berry, Lumberman's Mutual Casualty, "Accident and Health."

Monday afternoon, the convention will break into four seminars, each devoted to a branch of claim work and the claim problems in that branch that have arisen as a result of war. The seminar subjects and those who will direct them are: "Industrial Insurance," V. L. Fox, Colonial Life; "Accident and Health," F. M. Walters, General Accident; "Ordinary and Group Insurance," J. N. Cunningham, Crown Life of Canada; "Disability," J. D. DeWitt, Travelers.

Tuesday morning, there will be a panel forum discussion, with general questions from the floor and reports from the seminar chairmen. Election of officers will close the convention Tuesday noon.

The program was prepared by a committee headed by J. B. Northrop, Metropolitan Life.

Canadian Ordinary Life Sales Up 37% in July

TORONTO—Showing an improvement of 37 percent compared with the same month of last year, sales of new ordinary life in Canada and Newfoundland in July totalled \$44,868,000, according to the Canadian Life Insurance Officers Association.

Principal cities in Canada showed large gains: Hamilton, 52 percent, Winnipeg 51 percent, Vancouver and Ottawa with 48 percent, Montreal, 43 percent, Toronto 37 percent and Quebec 20 per cent.

New State Mutual Head Takes Office

Board Chairman Bullock Introduces President White at Ceremony

WORCESTER, MASS.—In a simple ceremony here in the home office auditorium, Chandler Bullock took office as chairman of the board of State Mutual Life and welcomed into office the com-



GEORGE A. WHITE

pany's eighth president, George Avery White.

Mr. White was introduced by Mr. Bullock, and was formally welcomed into the Home Office Fellowship Club.

"I want to emphasize again that we here, even the youngest of us, are engaged in a great trusteeship," Mr. Bullock said. "We are serving our policyholders, their family needs, their economic needs. We are indeed trustees of our policyholders and all their dependents. That is the job of a life insurance company. Each of you can be proud that you are doing such service."

"Now you are to have a new commanding officer, a man of sympathy and understanding, but one who like myself expects everybody to perform his share in this trusteeship diligently, accurately and cooperatively. I know that you will do so—as you have done during my presidency."

Receives Key of Office

President White, on receiving from Mr. Bullock the key of office, reviewed his association with the company as a director and member of the finance committee while acting as president of the Worcester County Trust Co.

"There is a similarity between the institution which I am leaving and the one to which I am coming," Mr. White said. "Both have large amounts of other people's money to care for, invest and safeguard; both have long-standing traditions of service to the public; both have fine, loyal groups of employees in

(CONTINUED ON PAGE 20)

Insurance Law Group Weighs War Issues

Attendance Is Large and Subjects Vital at Detroit Gathering

By JAMES C. O'CONNOR

DETROIT—The insurance section of the American Bar Association devoted its meeting from Monday through Wednesday this week in connection with the general convention of the association, almost entirely to the important legal questions concerning insurance contracts raised by the war. Attendance was surprisingly large. The two prepared addresses of the first general session, one on life and accident and health insurance and the other on property and liability coverages, were virtually keynote speeches, sounding the main theme. The insurance section then broke into its various groups, at each of which the more limited subjects under discussion were dissected, with the emphasis almost entirely on war time problems, plus those of the peace to come.

La Brum in Army

The election of a chairman of the insurance section was complicated because J. H. La Brum, Philadelphia, vice-chairman and logical successor to C. F. Robinson, Portland, Me., has gone into the army as a major in the signal corps. Major La Brum, who is stationed at Philadelphia, was able at the last minute to obtain a furlough and he attended the meeting.

Chase M. Smith, Chicago, vice-president National Retailers Mutual, was elected chairman of the insurance section at the close of the convention. The election followed the featured talk of a convention built around war-time problems of insurance lawyers, a discussion of federal damage insurance by James W. Close, Washington, assistant general counsel War Damage Corporation and counsel Reconstruction Finance Corporation. Mr. Close replaced Claude Hamilton, Jr., of WDC and RFC, who was detained at the last minute.

Major La Brum was reelected vice-chairman. J. F. Handy, Springfield, Mass., continues as secretary and H. W. Nichols, New York, and T. N. Bartlett, Baltimore, are the new members of the council.

G. W. Goble, Urbana, Ill., professor of law at the University of Illinois, chairman of the committee on qualification and regulation of insurance companies, was unable to attend, but he reported that his committee has been working on the subject of state retaliatory and reciprocal laws. The committee has concluded that an attempt to promote uniform laws would

(CONTINUED ON PAGE 21)

WAR PROBLEMS THAT CHALLENGE LIFE INSURANCE COMPANIES

Suggestions Made by a Field Man

By EDWIN F. PIERLE

Special Agent, Provident Mutual
Life, Lecturer on Life Insurance,
University of Cincinnati

"From year to year current problems are solved and new ones arise. The human heart seeks an established order. But the only established order is that of constant change." Perhaps nowhere else is the desire for an established order more pronounced than in life insurance home office procedure.

But today changes due to the present greatest of all wars are so vast that they can only be successfully met by courageous decisions reflecting vision of future possibilities rather than past history. All of these decisions must be made with the determination that in the present ordeal through which Americans are now passing life insurance shall not be found wanting because of technicalities and failure to anticipate unprecedented emergencies. Here are some of these challenges that must be met by the institution today.

Today's Conditions Different

In previous wars our armed forces numbered comparatively few life insurance policyowners aside from those who, in 1917 and 1918, owned war risk insurance. The ordinary life insurance policies owned were small in size; many of them had insignificant cash or loan values. The policy owning public did not look upon life insurance contracts as its premier investment—dependable, available for emergencies, a comfort during periods of adversity.

Today conditions are far different. Because of the unequalled performance of life insurance during the emergencies of the past generation, and more particularly during the great depression started in 1929, over 60,000,000 policyowners look hopefully upon life insurance as their impregnable fortress against financial perils to their loved ones and to themselves. Hundreds of thousands, perhaps even millions of our soldiers, sailors, aviators, marines and nurses have entered their country's service already possessing substantial sums of life insurance bought perhaps years ago and guaranteeing what to each individual is the major portion of his or her estate.

Those who are in service expect their dependent parents, wives, and children to enjoy the benign protection not only of the death benefits but also of the loan values on which the insured has depended to meet emergencies of past times. Will these emergencies cease because the insured is in military or naval service, because he is in Iceland or Australia or India or Ireland or Trinidad or Alaska or Egypt or on some little-known island? Will his investments made in peacetime continue to give dependable income adequate to the financial needs of supporting growing children?

First Turn is to Life Insurance

To what can his loved ones turn? Obviously, their first thought will be to his life insurance. But if the insured is out of reach of dependable mail service, and if weeks of anxiety are not ended by the return of properly signed and necessary forms, how can the life insurance be helpful?

If the dreaded message, "We regret to inform you that your husband is missing in action," comes (and there have been already thousands of such tragic messages) on what will the wife live? In a few months the allotment from pay previously made to the wife may cease unless the government receives affirmative proof that the soldier husband is alive. If he is captured, he is presumably to be paid by the captor government according

to its pay for men of like rank. This may reduce or stop his allotments.

The government may consider him dead and perhaps monthly payments under National Service Life Insurance will begin, but these will be small as they must be distributed over long periods of years. Will the privately owned life companies be justified in accepting such meager news as is available as justification for paying the proceeds of their life insurance policies as death claims? How many of the valiant defenders of Wake Island are still alive? How many of the heroes of Bataan escaped to the Luzon mountains in the company of their Filipino friends? How many of them have lost their memories in shell-shock? How many of them have left their pitifully torn bodies as those of the unidentified dead in the jungle or in the sea? How many more will face these catastrophes before peace prevails again?

Until recently, members of the armed forces were still in the United States. With increasing momentum they are being scattered to all parts of the earth, where mail will not reach them for months, if at all. Therefore, it is increasingly important that life underwriters advise those in service, or those who have entered but who have not yet left the country, to make provisions not only for safeguarding their life insurance policies through various premium payment plans but also by executing such forms as are available so that the cash or loan values of their policies may be obtained in an emergency by their loved ones, who are usually named to be the beneficiaries of the death value of their life insurance.

What papers should be executed? Here is a challenge to the home office staffs of all life companies. Here some "Gordian knots" must be cut. A sympathetic willingness to risk possible finan-

cial loss, and perhaps even some litigation, will be needed in order that life insurance shall not fail to do its part to protect those near and dear to the defenders of our country.

AUTOMATIC LOAN

For example, many companies that have refused, perhaps with good reasoning, to incorporate an automatic premium loan clause in their policies, should now do so by proper forms in order to protect the life insurance of men already in the armed service and others as they enter. Reliance cannot be placed upon the Soldiers and Sailors Civil Relief Act to protect private life insurance from lapsing due to non-payment of premiums, for only \$5,000 of such insurance is protected by the present act if it measures up to several tests of age, loan equity and freedom from military service restrictions. This act, however, is in process of amendment. Furthermore, dependence cannot be placed solely on allotments of army pay to meet premiums, for these may fail due to errors on the part of army personnel, or to stoppage of pay for many reasons (including loss of pay by reason of court-martial for even minor military offenses). Or, if the automatic premium loan is not desirable, a power-of-attorney to secure loans for the purpose of paying premiums should be provided.

A decision could be made by the insured, electing extended term insurance instead of the smaller automatic paid-up insurance values provided by the non-forfeiture provisions of some policies. Forms should be available to be executed for this purpose before the policy lapses.

But, how can provisions be made for loans directly to the beneficiary in the absence of the insured? A power-of-at-

torney becomes impotent at the death or incompetence of the principal, for the attorney-in-fact can have no powers greater than those of his principal. How then can the attorney-in-fact negotiate loans when he or she does not know that the insured is still alive and sane? What if the attorney-in-fact dies, becomes incompetent or refuses to serve?

Perhaps the insured can execute loan forms before leaving the country, keeping the amounts blank and leaving the forms in the custody of the person he desires to have this additional security. (Of course, he must have implicit faith in the integrity of the custodian of these valuable papers which are virtually blank checks against the loan values of his insurance.)

Yet we find that many companies insist that all loan checks must be made payable directly to the insured. This can certainly be overcome by the insured writing in on the loan papers (or executing a proper form for that purpose) a statement that any loan checks are to be made payable directly to the person having that discretionary emergency protection.

Problem Faced

But here, too, we face a problem. Even if the insured executes the paper before a competent witness while in the country, perhaps it will not be necessary to complete the loan papers until an emergency arises—perhaps months in the future. Will the custodian of the loan forms at the time of their completion then know whether the insured is still alive? If he is not, the granting of the loan may involve future litigation as the amounts paid as loans will reduce the death benefits, and if the insured is dead, the beneficiary of the death benefits is entitled to the proceeds. Obviously the person given authority to borrow against the life insurance in his or her sole discretion, and in the absence of the insured, should be the primary beneficiary; otherwise litigation may arise when the beneficiary learns that the loan was illegal because of the death of the insured prior to the completion of the loan.

Why not have the insured assign the policies to the person who is to have the power to make loans? In such cases, the company will clearly have the right to deal with the assignee, and any questions about responsibility for, or the validity of the loans, or liability on loans under the policy may be settled between the company and the assignee without being complicated by adverse claims on the part of the insured or beneficiary. But the assignment of the life insurance involves other problems such as the changes of existing settlement agreements, and those incidental to the death of the assignee prior to that of the insured. Many men will hesitate to make absolute assignments of their life insurance for such assignments may involve other difficulties.

Creation of trusts offers solutions and
(CONTINUED ON PAGE 24)

Last War's Monthly Sales Hint Upturn May Be Near

NEW YORK—While monthly production figures were not collected by any central agency during the last war, the records of several representative companies indicate that as in the present war, sales of life insurance dropped off sharply shortly after the United States entered the world war in April, 1917.

The decline was apparently not quite so abrupt because, while the adoption of war clauses was something of a factor, it did not result in anything like the extreme anticipation of future sales that occurred in the latter part of 1941 and carried over into January of this year. So many companies issued policies with war coverage at an extra premium that there was not the same urge to grasp at war risk coverage before it was gone forever.

Tide Began to Turn

While figures of individual companies varied somewhat during the last war for internal reasons, such as club qualification year closing dates, sales seem to have reached their low point toward the end of 1917, or when we had been in the war about as long as we have been in the present one. Then there was a brief upsurge and sales dropped off again although not to the 1917 low point. Shortly before the armistice production began to pick up and from then on sales began to boom at an unprecedented rate and kept right on doing so through the post-war years with the exception of the business recession of 1921-22.

Evidently there was the same period of disorganization and confusion following our entry into the last war as there has been in the present one. Thousands of agents and millions of prospects had gone into the army and navy then as now. Yet none of these agents or prospects had come back from the armed forces when the tide turned and production began to climb. The answer appears to have been that the civilian population adjusted its outlook to war conditions and came to the realization that insurance had to be bought whether there was a war or not. Agents adjusted their prospecting methods to new market conditions or else dropped out of the business. Those who dropped out left that much more of the market open to those who remained.

Upswing at Hand?

If the experience of the last war is any guide, the turning point in the trend should not be far off now. In addition to the more or less natural adjustment to war conditions, agents today have the advantage of lack of competition from other forms of investment, particularly the "war babies" stocks into which many people put their spare cash during the last war. Another big handicap which the present day agent is not burdened with is fear of the effect of government insurance issued to members of the armed forces. The government's introduction of this insurance during the last war was regarded as nothing less than

catastrophe by most life insurance men. They could not possibly foresee the enormous benefits that would result and the bad effect on their morale was hard to overcome. Today no agent worries about the competitive aspect of the insurance which men in the service have bought.

When the production curve turns upward it seems likely that it will begin to climb steeply as the realization sweeps over the insurance business that insurance can be sold. Unfortunately it will do little good to study production charts to see when the trend has reversed itself, for those most interested in the results are the ones who by their efforts will actually reverse the trend.

Research Bureau Reports on Life Sales Distribution

"1942 Buyer" Shows That Women Are One-Third of Market

The most complete institutional survey of current life insurance sales ever issued has just been made by the Sales Research Bureau. "The 1942 Buyer" is based on 12,499 United States sales totalling \$30,539,929 of ordinary sales made in May by 52 companies representative of all sizes, both weekly premium and ordinary, and with a typical geographical distribution of sales. In addition to giving the over all picture of these sales, the survey also shows separately the characteristics of the buyers and sales both of agents holding ordinary contracts only, irrespective of the type of company for which they sell, and those sold by agents holding contracts to sell both ordinary and weekly premium insurance.

The bureau anticipates further comparable studies in the future so that comparisons with previous periods may be made in order to discern differences and trends. The survey itself has over 25 tables providing a great many different analyses of the 1942 buyers. A few of the statistics show that: 26 percent of the buyers (including juvenile) are under age 20 and account for 14 percent of the business; 49 percent of the buyers are aged 20-34 and account for 49 percent of the business; and the 25 percent aged 35 and over account for 37 percent of the business. Seventy percent of the weekly premium agent's sales are made to buyers under age 30 as compared with 55 percent for the ordinary agent.

Many Sales to Women

In corroboration of the large market among women, the survey shows that 28 percent of the buyers are females, accounting for 14 percent of the volume. Excluding juveniles (age 0-14) these proportions become 25 percent and 12 percent. The weekly premium agent's sales include a larger proportion of women than the ordinary agent's—29 percent as compared with 23 percent.

Of the buyers 43 percent were previously uninsured—36 percent of the male buyers and 65 percent of the female buyers. They accounted for only 29 percent of the volume and 28 percent of the buyers are already policyholders in the same company. However, weekly premium agents sell 2 1/3 times as much to their company's own policyholders as do ordinary agents—42 percent of the number of sales for weekly premium agents and 18 percent for ordinary agents.

The occupations of adult buyers, of particular interest right now owing to changing markets, show that over a third of the volume was sold to men

(CONTINUED ON PAGE 21)

Aids Farmer Harvest Crop; Collects Wages

Clarence Otteman, agent at Hooper, Neb., for State Farm Life, responded to a call for aid to farmers in harvesting their crops. He emerged with \$87.50 in harvesting wages and \$6,000 worth of life insurance sold to the employer farmer and his hired man.

"Boomerang" Problems into Successful Action

By O. J. LACY
President California Western States Life

"We see here and there rate book men who are making good, who are plowing away, working hard and bringing in the bacon. Others are bogging down. What is the answer?"

This was the observation of Editor C. M. Cartwright in asking that this article be written. It is an observation most of us in the life insurance business have made ourselves.

What are the reasons? I would say three chiefly, and they had their inception in our entrance in World War II. They can all be readily solved, in fact, "boomeranged" into successful action.

Three Problems Pointed Out

Let's first analyze the three problems—then proceed to their solutions as successful field men have done:

(1) Chaos and indecision followed in the wake of Pearl Harbor. This applied both to prospective purchasers of life insurance and agents.

(2) Many formerly good classes of prospects fell by the wayside; new ones sprung up in their places. This necessitated a readjustment on the part of the agent to sense the new but clear-cut types of prospects. Readjustment takes time.

(3) With the establishment of new

fields of prospects came the need for readjustment of time and method of contacting these prospects.

In seeking a solution to each of these factors in order, we must approach them from a positive angle. As a matter of fact, I believe those agents who are still in the "bogging down" stage are there in most cases because they have not achieved the positive angle. They refuse to change their old way of life. Those who are succeeding adopted a constructive attitude.

Insurance a Stabilizing Factor

Let's see what positive thinking will do:

(1) Our business looms large as a stabilizing factor of the present and the future. As a part of this business, life insurance agents hold a responsible position as steadying influences in their communities. They must keep their feet on the ground. They must aid others in doing likewise. They must see the picture of the part of life insurance in protecting families, in preventing inflation, in paying for the war, in financing the peace. They must visualize the millions of dollars paid by life insurance to families of veterans of World War I—veterans who became the workers, the business and professional leaders of the nation after the war. Positive thinking on the importance of life insurance to the nation will send agents out as crusaders who will do much to turn chaos and indecision into plans for a successful future.

(2) Readjusted in their thinking, life insurance representatives must clearly discern that the vast body of people in defense work and other essential industries form the greatest market they have ever had. Hundreds of thousands are

(CONTINUED ON PAGE 22)



O. J. Lacy

HER EDUCATION WAS ASSURED

A policyholder writes "with reference to my life insurance policy, which I have been carrying for the past 15 years and which policy was taken out to provide an education for my daughter in case of my death or disability.

"My daughter having completed her education, this policy has now served its purpose, and it has been a source of comfort to me through all these years as I realized every day that come what may my daughter's future as far as her education was concerned was amply provided for. If I were to be permitted to come over life's highway again I would certainly make the same provisions as I had in this life insurance contract.

"But this old world changes every day, and it has been my lot to be one of the fellows whose business has taken a tumble due to war conditions and other conditions beyond my control. So I find myself at the point in life where I realize it best to discontinue this contract."

This \$5,000 Ordinary Life policy having served its original purpose, the insured may change the contract to a present paid-up participating life value of \$2,732. Or he can surrender for a cash value of \$1,666.49, which includes dividend accumulations of \$274.49.

+ + +

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Personnel Drain Is One of Chief Effects of War

H. C. Bates, Metropolitan, Details Other Problems for Insurance Lawyers

DETROIT—Personnel problems in the home office and in the selling field constitute one of the most serious effects of the war on the life, accident and health insurance business, Harry Cole Bates, general counsel Metropolitan Life, said in his talk before the insurance section of the American Bar Association here.

The problem is accentuated in the field because of the predominance of males of the young and early middle ages, he said. Recruiting of replacements is principally among men over 45, with a likelihood of an increasing number of women agents.

May Get Manpower Restrictions

"We have not yet, but well may come to such restrictions as are effective in Canada under a stringent manpower legislation," he commented. "In Canada since March, 1942, any new agent could enter the company's service only with the approval of the selective service board and with a showing that he had no previous mechanical or military experience or was over 45. Since June 18 appointments may be made only with the approval of the local employment office, which likewise must be notified, 'whenever a vacancy occurs or additional staff is required, or a layoff of staff is anticipated.'"

Shifts in population from communities with few or no war industries to defense centers results in the over-staffing of some offices and the under-staffing of others.

There is a shortage of medical examiners, and this will become more acute in the next six months, he said. Military services are expected to take at least one-third of the practicing physicians and those of course from the younger and more active. In Canada 2,200 out of a normal 10,000 doctors are now in service and the government has just called for 1,500 more, making well over one-third. This has led some companies to extend the writing of non-medical cover.

Should Simplify Programs

Agents have an opportunity with former low income prospects now receiving increased income from war work, he said. This suggests simplification of insurance programs to meet the needs and understanding of this group. Other factors suggest emphasis on lower cost policies offering greater protection and less investment. Because of entry of normal prospects in the younger male group into service, remaining groups must be more closely cultivated, particularly young women entering industry.

Creation of new plants to produce war materials involves some serious questions as to the permanence of the new group and the possibility of catastrophe hazards in some group insurance cases, Mr. Bates said.

What Constitutes War Service?

The companies have had to answer many questions about what constitutes military or naval service in time of war. Does service in the state home guard, civilian defense, army specialist corps, or in the WAAC's or the WAVE's constitute such service? In general, the civilian defense service or service in the

(CONTINUED ON LAST PAGE)

Equitable Tax Proposal to Congress

Asks \$40,000 Exemption, Premium Deduction and Earmarked Policies

The board of directors of the Equitable Society at its regular meeting adopted a resolution on the subject of income taxes paid by life insurance policyholders. The resolution unanimously was adopted by the board.

In the preamble it was stated that the policyholders have been persuaded by the agency force to commit themselves to plans of life insurance protection for their dependents which involve the exercise of self-sacrifice and thrift; and, as the policyholders of a mutual institution, look to its management for the protection of their life insurance interests.

Many of the company's policyholders have written that pending proposals for increased taxes threaten to impair seriously their capacity to continue to carry out such insurance plans, and the discontinuance of existing life insurance protection or the discouragement of the assumption by the public of needed additional protection would be harmful to the policyholders and their beneficiaries and, moreover, would be harmful to the government's program for financing the war as it would reduce the volume of life insurance funds available for investment in government bonds.

Asks 3-Way Deductions

The board then asked Congress to include in the pending revenue legislation provision for the continuance of the present \$40,000 specific exemption of life insurance policy proceeds from the federal estate tax, inasmuch as this long established exemption has been a factor which a large percentage of policyholders have taken into account in deciding to purchase life insurance.

Some reasonable deduction for federal income tax purposes of premiums paid by the policyholder for insurance on his own life in favor of his dependents, and the specific exemption from federal estate tax of life insurance proceeds definitely earmarked by policyholders for the payment of federal taxes on their estates and the deduction for federal income tax purposes of premiums paid by the policyholders on such policies also was urged.

Thomas I. Parkinson, president, was authorized to transmit a copy of the resolutions to Walter F. George, chairman of the Senate finance committee, and Robert L. Doughton, chairman of the House ways and means committee. The society offered its services in drafting the legislation required to make such recommendations effective.

Parkinson's Comments

In commenting on the society's actions, Mr. Parkinson said:

"The proposals are not new. Some of them have been before Congress in previous sessions and have been proposed in connection with the preparation of the current revenue legislation; others are provided for in British and Canadian laws and to some extent in the tax laws of this country. The British tax law, for example, exempts from the income tax life insurance premiums not exceeding one-sixth of the taxable income. Our own laws, including the current legislation as enacted by the House, provide for a deduction for income tax purposes of sums paid by an employer for group life insurance and group pensions for his employees."

Mr. Parkinson stated that while it is unusual for the management of a life company to make suggestions respecting proposed taxes not on the company and its income, but on its policyholders and their beneficiaries, nevertheless the Equitable board was convinced that the management of a mutual society ought to take such action because of the gen-

Enoch Joins Aetna at Pittsburgh

E. Ellsworth Enoch, first assistant manager of Connecticut General Life in Chicago in charge of production, has resigned and becomes supervisor in the



E. ELLSWORTH ENOCH

Pittsburgh agency of Aetna Life of which Harold K. Chase is general agent. Mr. Enoch resides at 7306 Oglesby Avenue, Chicago, and will take his new position the latter part of September.

He started his insurance career in 1930 as an agent of Equitable Society in Chicago. He shortly transferred his allegiance to the Connecticut General where Vice-president H. V. Haviland, now first vice-president, was Chicago manager. He was made manager of the company at Cincinnati in 1936 but returned to Chicago in 1942, as first assistant manager. He attended the University of Chicago for three years and then took a year's course in the night school of Northwestern University. He is a C.L.U.

eral expectation of its policyholders that the company will look out for their interests.

Ralph E. Kiplinger, director of agencies central division Guarantee Mutual Life, visited Oklahoma and Texas agencies recently.

Propose Relief for War-Lapsed Policy

U. S. Would Pay Premiums for Assured in Enemy Occupied Territory

WASHINGTON—A bill has been drafted, which is now believed to be in its final form, under which the government would guarantee premium payments of all policyholders of American life companies who had been forced to let their insurance lapse because of the disruption of communication facilities due to the war or because they are in enemy occupied territory. It is anticipated that the bill will shortly be presented to Congress.

It would be along the lines of the soldiers' and sailors' civil relief act. Money advanced by the government would be a charge against the surrender value if the policyholder lived or would be deducted from the proceeds of death claims. The only money the government would stand to lose would be in cases where it had advanced more than the policy's cash value and the insured preferred to let the policy lapse than to repay the government's advance.

Advantageous to Companies

From the companies' standpoint the arrangement would be advantageous in assuring payment of premiums on these policies and in removing them from the dilemma of having to stand on the strict terms of their contracts and deny coverage to policyholders deprived of their insurance through no fault of their own or else make what might be a very expensive gesture and waive all lapses due to interruption of communications. A drawback might be an abnormally high mortality among policyholders in occupied zones.

McNutt Confers with Companies

During recent months Paul V. McNutt, federal security administrator and former high commissioner to the Philippines, has held conferences with certain company officials on the subject. He is known to favor definite action on the question rather than leaving it up in the air until the war is over, his attitude being that it would be right in line with the good neighbor policy for the government to assure all policyholders of American life companies, regardless of their nationality, that their insurance was being continued in force.

New Committee Is Important One

Will Work Out Program of Fundamental Policies of N. A. L. U.

NEW YORK—A committee has been appointed by Grant Taggart, president of the National Association of Life Underwriters, headed by C. D. Connell, Provident Mutual, New York, to work out a continuing program of fundamental policies in regard to such matters as a permanent membership philosophy, state qualification laws, educational programs, and like matters. It will also study the work of integrating and coordinating the work of the state associations. The other members are W. E. Barton, Union Central, New York, and W. W. Hartshorn, Metropolitan, Hartford.

The question of selecting a meeting place and whether or not one will be held has been placed in the hands of the trustees for the duration.

Military Intelligence Seeks List of Insurance Abbreviations and Signs

NEW YORK—As part of its project of making an all-inclusive dictionary compilation of abbreviations, contractions and conventional signs the language section of the military intelligence division is seeking lists of abbreviations and signs used in the insurance business. The compilation is for the use of the military intelligence service and other departments of the war department general staff, such as decoding use in signal corps intelligence.

While insurance men would probably surmise that their business is fairly free of esoteric expressions and symbols it is obvious that there are many abbreviations that would be completely mystifying to someone who had never had contact with the insurance business.

Without some such reference book a military intelligence decoder might scratch his head for quite awhile trying to figure out what was meant by "A.D.B. on the E. at 85," or similar expressions equally meaningless to those unfamiliar with the life insurance business. He could hardly be expected to know that the word "suspect" conveys no sinister meaning to a life insurance agent nor that "preliminary term" has nothing to do with prison.

THE MANUFACTURERS LIFE

The Institution of Life Insurance can be proud of the fact that the service it provides is truly representative of the democratic way of living.

In it free men associate themselves voluntarily for the purpose of obtaining economic security. Through it the ties, ideals and traditions of family life are strengthened and protected.

INSURANCE IN FORCE, 632 MILLION DOLLARS
(Including Deferred Annuities)
ASSETS, 205 MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1887

Technique Used on Defense Laborers

Particular Procedure Is Required in Approaching These Prospects

MOBILE, ALA.—A. L. Bell, agency manager Protective Life, in discussing the subject of getting prospects for life insurance among defense industry workers concludes that most are not desirable for regular life insurance activities due to the fact that the matter of collecting premiums would have to be handled very largely on an industrial debit basis.

However, he says his office has found two very good types of prospects among defense workers, one group who might be called the sons of local friends who have become defense workers. These boys range in age from 17 to about 23 and make excellent prospects for endowment annuity contracts. They are in a position to buy on the average about \$5,000 maturing at age 55. The agent has to know personally either the father or some of the boys. He must make his calls in the evening just after dinner before the boys go out on their dates, or if they are young married men, before they retire. It is impossible to see them on their days off, Mr. Bell says, as they are out playing, fishing or enjoying some other diversion.

Danger of Overselling

If an agent knows a few of these people and can get them to give him names of other boys he will eventually contact all the local fellows. He should, however, if he wants to build a permanent business be very careful not to oversell these prospects. He should be very careful to ask them when he is obtaining prospects to give him the names of local young men and not floaters because floaters are not desirable prospects for regular insurance.

The other type of prospect that Mr. Bell gets from defense industries is business men downtown whose income has jumped by leaps and bounds on account of the excess spending money by defense workers. If an agent today will call on all such prospects for both personal and business insurance he will be very successful in his solicitation. Again, however, he should use utmost care in not overselling the merchants because when the defense industries close then the merchants are not going to be able to carry on heavy amounts as they can now.

Mr. Bell said that in Mobile, life insurance men are very fortunate because the increased business should be good for at least 10 or 12 years after the war is over due to the fact that it comes from shipyards, aluminum plants, paper mills and other industries that are not going to hold up much for a few years after hostilities cease.

SEEN FROM FLORENCE

FLORENCE, ALA.—Lloyd Johnson, agency manager of the Protective Life, in speaking about selling life insurance to defense workers, said that his agency does not attempt to solicit men who are construction workers unless they are permanently located. His men do attempt to locate prospects who are on the operation end of defense industries and try to pick them by the type of work they are doing especially those in the higher salaried brackets. In the beginning the agents try to select the key man and if at all possible sell him first. Then excellent leads can be gotten from him to follow up in that industry, always seeking those who are permanently located. Mr. Johnson finds that the best time to see these workers is from 4 p. m. to 9 p. m., because they go to work early and get off early.

Mr. Johnson states that it is somewhat difficult to see workers on their off days

because they have planned trips with their families or some kind of recreational activities. They do not like to have this broken into by business solicitation. Agents have not found, he said, it difficult to talk the language of these workers but they do try to simplify their proposals as much as possible because they discover the average defense worker knows very little about the technical terms of life insurance. The agents, therefore, conduct their interviews around the benefits derived from the contract that is being proposed.

Mr. Johnson himself opens his interview by asking the worker what he wants his insurance program to do for him and his family and then leads him on to discuss his present life insurance program. Then he endeavors to fit the contract to his wants and needs.

Just a few days ago, Mr. Johnson stated, he was talking to an electrical engineer that made this statement to him—"I suppose the technical terms of life insurance would be just as new to you as your technicalities would be to me because I would not dare to go into the place you work and attempt to do any kind of labor because I do not know anything about the operation and, therefore, it would be very dangerous for me." He was very proud of the fact he knew all about his job and the agent, Mr. Johnson said, immediately gave him credit for knowing his job and therefore the interview was very satisfactory.

Using Life Premium Taxes to Pay Firemen's Pensions in Oklahoma Is Upheld

OKLAHOMA CITY—An opinion has been handed down by the Oklahoma attorney-general upholding the constitutionality of apportioning 50 percent of the four percent premium tax collected by the Oklahoma insurance department from life companies operating in Oklahoma, to the firemen's pension fund. The opinion had been asked by the state auditor before disbursing \$303,797 to the firemen's pension fund to which half of the general revenue collected by the state insurance department is apportioned.

The opinion points out that a constitutional provision levying entrance fees and premium taxes on insurance companies is valid and that the attorney-general does not believe that the "for public purposes only" provision is violated by the collection of a tax to pay pensions to disabled or retired firemen which a rational connection with a legitimate public purpose, the prevention and abatement of fires.

The opinion states that previous to the 1941 statutes, raising the tax to four percent, there had been no question raised against the two percent premium tax being apportioned to the firemen's pension fund and that the new act merely provides for the additional two percent tax to be paid into the general revenue fund.

Three Reasons Given for Saving Money

There are three reasons for saving money. No one ever saved any money for any other reasons. Here are the three:

1. To build up a fund of emergency cash.
2. To leave an estate in case of premature death.
3. To build up a retirement fund.

Life insurance is a preferred method of saving; life insurance is a preferred place to save.—B. E. Bainard, Great-West Life, Sudbury, Ont.

The Prudential Athletic Association is holding its golf tournament this week at the Cedar Ridge Country Club.

We often see salesmen that spend much time in wishing for something that they have in mind and brooding over it. Yet they could undoubtedly achieve their ends and get what they desire if they would put forth great effort and spend less time wishing.

A Picture of Progress

Something Useful

Something Timely

Something Attractive

— and you have a

GOODWILL BUILDER



First Aid is a subject in which there is a wide interest today and there are few who are not interested in receiving information on this subject.

Connecticut Mutual's First Aid Index, giving in an unique manner the symptoms and treatment for all sorts of accidents, is building goodwill for members of Connecticut Mutual's unique organization, The Dependables. 25,000 prospects and clients received this Goodwill Builder recently.

"Sales Helps in Step with the Times"

Connecticut Mutual

Life Insurance Co.

96 years of Dependable Performance

Use of Principal Is New Development

Taxation Affecting Estate Hoarders Who Use Only Income

Current rates of taxation have forced the realization that principal must be made to serve a purpose entirely different from any previous conception, according to John O. Todd of H. S. Vail & Sons, Chicago, special agents Northwestern Mutual Life. Because life insurance can be used to regenerate principal, men must change their methods of bookkeeping if they wish to have tax free dollars for current use, Mr. Todd says.

"The risk of loss is so much greater than the possibility of net income, that there is no inducement to invest in current yield securities," he explained. "For example, if a man earning \$25,000 in a year invests \$10,000 that will yield 5 percent or \$500 gross net next year, he may be taxed as much as 80 percent, leaving him \$100 as his return. The possibility of losing \$100 or more of his principal value is too great to be compensated by such a small return." Mr. Todd said that the only cure for this dilemma would be found in the proper use of life insurance.

Self-accumulating Feature

"The solution lies in the self-accumulating nature of the life insurance contract. Ordinary life insurance, held to expectancy, shows a net yield of 3 percent. Men may therefore properly use part of their principal to pay premiums, and part to provide current cash needs with less possibility of loss and far greater utility value to their dollars.

"The life agent must assist men to reorganize their commitments with this changed conception as the basis."

Mr. Todd said that each tax bill that has been passed in this country has made more business for the life men than it has taken away from them.

Approach to Grandfathers

He said one good approach to men with wealth is the appeal to use their capital to buy life insurance as a means of regenerating their estates for their grandchildren. The plan is for men to purchase insurance on their children's lives for the benefit of grandchildren and to make provision for continuing the premium payment on this insurance after the grandfather's death.

By combining life insurance and securities in a gift the grandfather in effect can create a funded life insurance trust over a relatively short time. Thus he could make an annual gift of some stock in his business, say \$1,000 or \$2,000 per year, the income from which in a few years might be sufficient to maintain the life insurance premium payment. This eliminates the objection that the grandfather might not be in a position to make the necessary cash gifts that the life insurance premium in future years would require.

Mr. Todd said his office has done in a year about a million dollars of business on this idea alone. It is not complex and is easily salable. It meets the universal interest of grandparents in their grandchildren.

Conn. Mutual Agents' War Activity

More than 600 Connecticut Mutual agents are active in various phases of the war effort. About 200 men are in military service and more than 400 are active in civilian defense; 178 hold posts as air raid wardens, auxiliary firemen and policemen, aircraft spotters, filter center workers, etc. Three are members of the Civil Air Patrol, and over 60 are first-aiders and instructors, members of the motor corps, disaster relief corps and home nursing corps in the Red Cross.

"No Medical Examination" Is Called Trap

E. A. Gilbert, who has started a series of articles in "Consumers Reports," on mail order life insurance, has one in the August edition entitled, "No Medical Examination."

Mr. Gilbert expresses the belief that the phenomenal growth of mail order life insurance is directly attributable to its "no medical examination" appeal but he goes on to say that this appeal can be part of a fraudulent setup which deprives the policyholder of genuine protection.

Most people who read the advertisement assume that anyone, no matter what his physical condition, may be covered by the contract. Many are not even aware that the application for non-medical mail order insurance requires the following general representation:

"Have you, or have any of the persons upon whose lives insurance is requested, ever had any disease of the brain or nervous system, heart or lung, cancer or tumor of any kind, vertigo, hernia, rheumatism, tuberculosis, goiter, or any other disease or infirmity?"

Clause is Used

The companies make use of this clause to refuse payment to those who think they are protected, he declares.

Mr. Gilbert explains the system of medical examinations and the operations of the Medical Information Bureau of the regular companies. There are on the average on file with the M. I. B., six to seven million names of people who have been found undesirable or questionable by the companies. A great number of mail order victims will be from among those who have been denied insurance by the regular companies and who despairing of getting any protection will unthinkingly fall into the non-medical trap, he declared.

The broad coverage claimed for the "family group" contract typically sold by the mail order companies encourages the belief either that physical condition does not matter or that the companies would not notice one or two substandard risks that might be squeezed in.

Mr. Gilbert states that for those who have been found physically unfit in any way by the regular companies, the odds are against collection of a death claim from a mail order company.

Has Little Meaning

The no medical examination feature has actually little meaning for the policyholder, for only in the sense that no examination is made at the time the policy is issued is there any truth in the claim. As a matter of fact, the companies in effect simply postpone their physical examination until after the death of the insured.

The proof of death forms which the insurer requests to have completed, usually contain an innocuously concealed authorization to the company to examine hospital records or question the attending physician. In this way the insurer can make what is in effect a post mortem physical examination and discover medical facts about the assured that can be used to avoid payment.

Most of the mail order companies are licensed only in the state of their domicile and operate throughout the rest of the country by mail. If such a company decides to settle a \$200 claim with a \$10 offer or make no payment at all, the only appeal can be to the courts and if the claimant lives in Maryland and the company is domiciled in Illinois, he will have to travel to Illinois, hire an Illinois attorney and sue for the \$200. The amount of insurance involved in family group contracts is extremely small and the insurers apparently believe that the claimants will either forget about their claim or accept a negligible settlement. According to Mr. Gil-

bert, the present method of state supervision of life insurance is admittedly helpless in dealing with this problem.

"Apparently one obstacle to getting rid of the mail order insurance fraud is the state insurance departments themselves," Mr. Gilbert states. "If they were concerned more with guarding the public welfare and less with their own prerogatives, they could ask for federal help in solving the problem. Until they do, our chief hope is public pressure on the postal authorities to take action against insurance companies using the mails to defraud."

Two More Join \$250,000 Table

Miss Helen D. Foster of Prudential in Birmingham, Ala., has qualified for the first time for the Quarter Million Dollar Round Table, and Miss Hermine Kuhn of Equitable Society in New York, has renewed membership.

Vice-president E. E. Rhodes of Mutual Benefit Life is taking a regular vacation for the first time in recent years. He and Mrs. Rhodes are at Saranac Lake and will return Aug. 31. For the last few years Mr. Rhodes has been taking his vacation in the form of weekends on his motor cruiser but this year the craft is being used by the navy.

F. R. Jordan Is Elected Franklin Vice-president

Franklin Life has elected F. Russell Jordan to the position of vice-president-actuary. The new title culminates a career of over 30 years in actuarial work with the Franklin Life.



F. R. Jordan

A graduate of McAllester University in Canada, Mr. Jordan joined Franklin Life in 1912 as assistant actuary, after a short period in actuarial work with Canada Life. Seven years later he became actuary and has acted in that capacity ever since. He is an associate of the Actuarial Society of America and also of the American Institute of Actuaries.

Russell A. Frederick, assistant actuary, has been elected assistant secretary. After attending the University of Illinois, Mr. Frederick became a member of the Franklin Life actuarial department in 1923. In addition to his new duties, he will continue in the capacity of assistant actuary.

Forty-Eighth Year of Dependable Service

- The State Life Insurance Company of Indianapolis, Indiana . . .
- Is a Mutual Legal Reserve Company Founded 1894
- Has Paid \$135,000,000 to Policyholders and Beneficiaries . .
- Holds Assets of over \$55,000,000 for their benefit
- Issues Policies from Ages One Day to Sixty-Five Years . . .
- Issues Policies on Male and Female Lives at the Same Rates .
- Issues Policies with Double Indemnity and Disability Benefits .
- Issues Juvenile, Educational Fund, and Family Income Policies.
- Issues Salary Continuance and Retirement Income Policies . .
- Issues Many Other Standard and Up-to-date Policy Forms . .
- Offers Agency Opportunities and Training for Those Qualified.

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

Portfolio Raiding Hits Mortgages

Sporadic So Far But Spread Is Feared by Some

NEW YORK—Because of restrictions on new construction not connected with the war effort and the consequent scarcity of demands for mortgage money, life companies are finding that some of their mortgages are being paid off before maturity and refinanced elsewhere on terms more favorable to the borrower.

This type of portfolio-raiding has so far been pretty well scattered and no great volume of it has built up in any one area. It has been done mostly by smaller institutional investors, including some life companies, but there is some concern among mortgage loan officials about the practice becoming more widespread. Companies are investing the bulk of their available funds in government bonds but because of the low rate available on these securities it is desirable to obtain as high a rate as possible on the money that is placed elsewhere.

May Go Too Far

There is some indication that institutional investors which are attempting to lure mortgagors away from their existing connections may go too far for their own good in granting inducements in the way of ratio of loan to sound value or in amortization requirements. A difficulty that confronts portfolio-raiders is that in recent years it has been pretty much of a borrower's market in the mortgage field and there is little margin to whittle at. Another difficulty is that while the present mortgagee is quite happy to be rid of any mortgages that have proved troublesome it will often make enough concessions to borrowers to hang onto its good loans even in the face of determined competition. This results in a measure of adverse selection against the raiding company. Where there is a penalty for liquidating a loan ahead of time, as with all FHA mortgages, the present mortgagee has to do correspondingly less in the way of concessions in order to hold the loan.

Fischer Cracks Down on Iowa Burial Outfits

DES MOINES—The Iowa insurance department has begun to crack down on so-called benevolent or burial societies operating without licenses. Commissioner Fischer terms these "pass-the-hat" outfits.

He sent letters to county attorneys pointing out that local law enforcement officers are required to take action and informing them that the societies were operating in violation of Iowa laws. Insurance statutes set a penalty of \$500 for every day the outfits operate without a license and \$300 fine, plus \$25 daily, for anyone soliciting for them without an agent's license.

The organizations have mushroomed in various sections of the state in recent years and claim they do not come under the state insurance laws. Court proceedings have proved otherwise. In Council Bluffs the county attorney last year obtained court decisions against five organizations which were declared insolvent and violating insurance laws. These concerns operate largely on small membership fees with additional assessments, usually \$1 a month, or in some cases members are assessed every time a death benefit is paid.

Irregularities Void Policy

NASHVILLE—A \$4,000 Columbian Mutual Life policy on the life of Edward Qualls has been voided and payment denied by an opinion of Chancellor

T. A. Shriver when evidence was presented to show irregularity in the writing of the policy by the agent. According to the chancellor's opinion, S. J. Sherwood, Columbia Mutual agent, "of his own motion," filled out an application for a \$2,000 double indemnity policy to which he signed the name of Qualls, taking the information contained in the application from a former policy. The company issued the policy on Nov. 1 but there was no attempt to deliver it to Qualls until Dec. 9, at which time Qualls agreed to take it on a monthly payment basis but did not sign the acceptance form. Without this acceptance, Sherwood turned the policy over to the bookkeeper of the firm where Qualls worked and from the bookkeeper secured one month's payment. On Dec. 19, Qualls was fatally burned by an exploding gas stove. Sherwood attempted to get him to sign the acceptance after he was injured but he was unconscious until death.

Qualify for War Bonds

LOS ANGELES—Fifty-six agents and 24 general agents have qualified to participate in the victory war bond awards which Pacific Mutual Life established when the war made it impracticable to carry through the plans for its Catalina Island convention.

Record Number Get Life College Awards Made in Chicago

At the fifteenth annual conferment of the American College which was held on a "token basis" at the Edgewater Beach Hotel in Chicago, the C.L.U. designation was awarded to 172 candidates, the certificate of proficiency to 16 candidates and the certificate in life insurance agency management to six. With the 14 candidates who received the designation in March, the total number of diplomas awarded in 1942 was the largest for any year of the college's history.

Since it was impossible for transportation reasons to hold the usual type of exercises this year, college officials are stressing local presentation of diplomas by C.L.U. chapters and life underwriters associations. It is hoped that every diploma may be presented in this manner during the early fall.

Highlights of College's Progress

In summarizing some of the high-points of the college's progress during the Chicago meetings, Dr. David McCahan, dean, stated that:

(1) Of the new candidates who regis-

tered in 1942, slightly more than $\frac{3}{4}$ are between 25 and 40 years of age; approximately $\frac{2}{3}$ have been in life insurance more than three years; and about $\frac{1}{2}$ are personal producers, the other half being managers, general agents, agency supervisors, home office personnel, etc.

100 College Centers

(2) The 1942 examinations were taken by 1,239 candidates at 100 colleges and universities, 207 of them completing this year the entire series of five examination parts.

(3) The passing ratio for all examinations taken this year is 70.5 percent which is the highest it has been for any year since 1933.

(4) During the year leading up to the 1942 examinations, 83 colleges and universities have been cooperating in offering all or substantially all of the C.L.U. subjects, and 148 special underwriter study groups with an enrollment of 1,841 persons have been in operation.

(5) The registration board of the college has thus far approved the applications of 7,096 candidates. Of these, 2,264 have now completed the entire series of examinations and 3,108 have credit for one or more parts.

(6) There are now 51 local C.L.U. chapters and 15 company C.L.U. associations.

"There Goes Jones - - He Knows The Answers"



Field men who have sound knowledge of their own business have a priceless asset—the approval and confidence of the persons in their communities.

C. L. U. study courses, company study courses, regular careful reading of the insurance trade press, membership in Life Under-

writers' Associations, are most valuable field helps. In these times of public consciousness of the responsibility of business, the men who sell Life Insurance are also its ambassadors-at-large. This Company heartily endorses these fine educational activities for agents.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen



Traces Wartime Problems of Life Insurance Trust Indentures

DETROIT—Precedent and tradition have always guided the legal profession, but in drafting life insurance trust indentures, lawyers must try to see into the future, and, unfortunately, precedents and decisions antedating Pearl Harbor shed but uncertain and distorted light, declared Herbert B. Thompson of the law firm of Thompson, Allen & Harmon and executive secretary and counsel Michigan Association of Life Underwriters, in opening his address on "Modification of Life Insurance Trusts as Required by the War" at a round table program on life insurance law here in conjunction with the annual meeting of the insurance section, American Bar Association.

"The virtue of the life insurance trust is its definite determination of rights and duties for years to come," Mr. Thompson said. "It must meet changing conditions. We confront perplexing and complicating new problems today; and we must expect these problems to increase in number and complexity as the war momentum increases. Failure to consider these problems would not only involve our clients in difficulties, but would argue against the need for our services for the duration.

Need for Trusts Is Great

"Never was the need for life insurance trusts greater than today. By the same token, never was there greater need that they be drawn with care; and that they help to constructive objective. The field of life insurance trusts may be roughly divided into three classifications.

"The first classification, embracing the vast majority of the older trusts, is the semidormant inheritance-tax - lessening income-perpetuation type. Our Supreme Court and tax department decisions have treated it somewhat cruelly of late. Its problems are primarily tax problems, which doubtless will increase in extent during the war, but will not be greatly altered in form.

"The second classification of insurance trusts includes the pension trust and profit-sharing trust. The war has undoubtedly produced new problems in this field; but at the moment, its perils are legislative, threatened because its statutory privileges, designed for broad social benefits, have been notoriously used for the benefits of a favored few. Until Congress completes its overhauling of the laws which mean life or death to these plans, discussion of their purely legal problems seem futile.

"The third classification of life insurance trusts embrace so-called business insurance, partnership insurance, stock-purchase insurance, and kindred agreements. Here, today's war problems are most acute; and to the problems of this classification this paper is principally devoted."

Impingement of War Factors

Mr. Thompson then proceeded to discuss typical cases of life insurance trusts of this last classification, observing the impingement of war factors, and the provision for meeting them.

How, for instance, partnership insurance assures that the surviving partners will have the business come to them promptly and intact, while the widow of the deceased partner is paid in cash the sum covering her husband's share in the business, promptly, instead of receiving the uncertain proceeds of expensive liquidation, or the income from a materially altered management.

In peacetime, when trusts of this character were set up, everyone concerned, the partners, the trustee, etc., all assumed that all of the partners would be available until one of them died, but in some instances the war and its unusual problems and situations have created a set of circumstances not contemplated at the time the trust was created.

About three years ago, he continued, a well-known trust company accepted a trust of this nature, and here is what

happened. Partner B, the man who did the buying and ran the office, was a reserve officer. He was called to active duty, and has since been reported as missing in action. The business has quadrupled in value, but is woefully short of capital and manpower. Partners A and C are unable to replace B's services, since they cannot provide a new comer with an interest in the business. The trust company, under the terms of the trust agreement, owns legal title to all three shares, but it has no authority to sell out B's interest. It also has no authority to vary the terms of the trust, or to permit the remaining partners to take the steps imperative for continuance of the business. Even if proof of B's death were available, the legal department of the trust company expresses doubt whether the agreement could be carried out, because of the gross inadequacy of the valuation set-up.

The trust agreement provided that it could be amended, at any time, in any respect, but only by unanimous consent or agreement among the partners. Other provisions as to valuations, etc., were all contingent on agreements of all partners, and every partner pledged that he would not alienate his interest, except upon the written assent of the other partners. Now everything is tied up because one of the partners entered military service, is missing in action and is not available to meet with the other partners to make the changes in the trust plan and business set-up so important now for survival of a successful business enterprise.

Prolonged Litigation

In this connection, Mr. Thompson pointed out that where the parties to a trust agreement have covenanted to revalue the business each year, and fail to do so, supplying no alternative method of determining value, the door is open wide to prolonged and expensive litigation—at the instance either of the widow of a deceased partner, or of any of the surviving partners.

Provision must be sought whereby a departing partner vests in some able person his right to agree to amendments in the trust, he said.

The indenture must provide some automatic or nearly automatic mode for re-determination of value in the absence of unanimous agreement amongst the partners at a date reasonably proximate to the date of death.

Distinction Must Be Made

Compensation to each partner for services he renders must be distinguished from his other partnership income, so as to permit replacement of his service if and when he is called away.

"This matter of value determination presents wartime complications which demand not only care in drawing new agreements; but that many agreements now in existence be immediately revised."

Most present-day plans for value determination usually contain provisions for minimum valuation, usually the amount of partnership insurance the widow received upon the death of her husband; valuation by agreement, under which the partners meet from time to time to fix the value of the business, which determination shall conclusively establish the amount to be paid the widow if the depositor shall die within 12 months after such valuation by agreement is arrived at, and valuation by a good-will formula, which includes the net worth of the business as shown by the balance sheet at the time of the partner's death, plus an added item to represent good will of the business.

"Nothing will actually replace alertness on the part of the parties and prompt amendments to give effect to changing conditions. To leave valuation for determination by arbiters after the occurrence of the death defeats the entire purpose of the business insurance

trust; and opens the door to litigation almost as though no agreement has been drawn."

Touching on the question of those reported as "missing in action" or merely as "missing" he said that in this war a large percentage of casualties will come under those two classifications.

Can't Be Early Payment

"Certainly there can be no early payment of the insurance upon those lives," he continued. "If the rule as regards disappearance in peacetime is followed, not only must seven years elapse before presumption of death may be pleaded, but in most jurisdictions an adjudication must then be sought, upon full evidence, to determine first, if the missing person shall be deemed dead; and second, as to whom that death shall be deemed to have occurred.

"Obviously, if any party to a business insurance trust be of military age, the indenture should direct what course should be pursued in case of disappearance beyond a period of say six months; and should provide for liquidation of the missing partner's interests, independent of the maturity proceeds of insurance upon his life."

He said that in many instances there should be a provision giving the remain-

Baum Heads Protective Life Production Honor Club

Herbert J. Baum, Birmingham, Ala. general agent Protective Life for the past 21 years, has been elected president of the Protective Life Honor Club for production. Mr. Baum has received this honor on several occasions.

Mr. Baum specializes in conservation and for many years his business has renewed very near the 100 percent mark. The Protective organized its App-a-Week Club almost six years ago and Mr. Baum has been a member since its origination.

Headed Two Life Associations

Mr. Baum has served the Birmingham Association of Life Underwriters from secretary to president. He served two terms as president of the Alabama Association of Life Underwriters and is active in the General Agents & Managers Association.

ing partners an option to retire the interest of a partner entering the service, or otherwise departing from active contact with the business, on a time basis which will not cripple continued operation of the business.



"The Friendly Company"

THE OHIO NATIONAL LIFE INSURANCE COMPANY

CINCINNATI, OHIO T. W. APPLEBY, President

See Complications After War Is Over

Companies Study War Clause as It Affects Returning Troops

NEW YORK—While the recommendation by the life committee of the commissioners' association of a uniform war clause providing for the status type of exclusion outside the home area will simplify the handling of claims on deaths among the American troops abroad some executives fear there may be complications among returning policyholders after the war is over. Since the status type of clause eliminates any protection whatever, except return of premiums, during the entire time that the insured is in military service away from the home area the possibility is foreseen that returning policyholders may feel that their premiums should be suspended for the period during which they had no protection. If this view were upheld by the courts the companies using the status type of clause would be subjected to considerable expense and inconvenience.

Obviously it would be impossible for the policyholder to receive credit for all the premiums paid during his absence from the home area. He could hardly claim more than the portion of his premium representing his share of the contribution toward current death claims. At the ages of most men in military service the mortality rate would be equivalent to a charge of \$4 to \$5 a year on the American Men basis.

American College Elects for Year

At the annual meeting of the trustees of the American College of Life Underwriters held at the Edgewater Beach Hotel, Chicago, the following trustees were elected for three year terms:

Paul F. Clark, vice-president John Hancock Mutual Life; O. Sam Cummings, manager Kansas City Life, Dallas; William M. Duff, general agent Equitable Society, Pittsburgh; Grant L. Hill, director of agencies Northwestern Mutual Life; George L. Hunt, vice-president New England Mutual Life, Boston, and Cecil J. North, vice-president Metropolitan Life.

Robert Dechert, by virtue of his office as counsel of the college, Chester O. Fischer, by virtue of his office as chairman of the committee on training of the Association of Life Agency Officers and Sewell W. Hodge, by virtue of his office as treasurer of the college become ex officio members of the board.

Officers elected for the year are: Chairman, Julian S. Myrick, vice-president Mutual Life; vice-chairman, Mr. Duff; president, Dr. S. S. Huebner, University of Pennsylvania; dean, Dr. David McCahan, University of Pennsylvania; secretary, Dr. John A. Stevenson, president Penn Mutual Life; treasurer, Sewell W. Hodge, treasurer Provident Mutual Life, and counsel Mr. Dechert.

In addition to the president who is an ex-officio member of all standing committees the following were elected to service on committees:

Executive committee: S. S. Huebner, chairman; Ernest J. Clark, Robert Dechert, William M. Duff, Sewell W. Hodge, John Marshall Holcombe, Jr., George E. Lackey, David McCahan, Julian S. Myrick, Cecil J. North, John A. Stevenson, and John P. Williams.

Financial welfare: Julian S. Myrick, chairman; Franklin W. Ganse, William M. Duff, Paul F. Clark, and Sewell W. Hodge.

Budget and investments: Julian S. Myrick, chairman; Franklin W. Ganse,

Ernest J. Clark, Cecil J. North, and Sewell W. Hodge.

Registration board: John A. Stevenson, chairman; William M. Duff, and David McCahan.

Management examination board: David McCahan, chairman; John A. Stevenson, H. G. Kenagy, and John Marshall Holcombe, Jr.

Nominating committee for 1943: John Marshall Holcombe, Jr., chairman; Grant L. Hill, and George L. Hunt.

The board approved the recommendation of the joint committee representing the American College and the American Society of Chartered Life Underwriters of plan for announcing award of the C.L.U. designation to a successful candidate's clients and friends.

Saunders to Army; Minnis in Provident Life Post

Brady M. Minnis has been appointed as home office development supervisor of Provident Life of Bismarck, N. D., to take the place of Earl Saunders, who is leaving for service.

Mr. Minnis from 1933 to 1935 operated his own general insurance agency in Winona, Minn., and was a leading personal producer for Mutual Life. In 1935 he was named agency organizer and superintendent of agents at Indianapolis for Mutual Life. More recently he has held the same position in Minneapolis.

Originally in the casualty line, Mr. Minnis spent nine years as a claim adjuster for Globe Indemnity and Fidelity & Casualty.

The entire Provident field organization has dedicated their August production in a special campaign in honor of Mr. Saunders. A regulation army waterproof wrist watch will be presented to him at the conclusion of the month, together with a scrap book which will contain a signed "good luck" certificate for each application submitted during the month.

White's Epigrams on Life Insurance for War Worker

Jack White of Los Angeles, manager of the Prudential, thinks epigrammatically, succinctly, and he hits the nail on the head. He made some observations for THE NATIONAL UNDERWRITER that reflect his style of talk and approach. Here are a few:

Selling the war worker market requires work habits which are foreign to the seasoned salesman.

Work habits (night work, telephone, lunch hour interviews without lunch) have to be adapted to successfully cultivate the new market.

Package sales—one interview closes—will replace programming—two or more interview call backs. Saves tires, gas, and time.

First policy buyers must be educated to life insurance and will take only a small dose to start.

New men in the business have had the most success in cracking the war worker market. Change of work and selling habits not necessary.

Less education is necessary to equip the new salesman to sell in the new market.

More new underwriters could be inducted because less education is necessary.

Women salesmen should be able to capitalize in the boom women workers' field.

Changing conditions and market will take its toll of underwriters unwilling or unable to change their work and selling habits.

Business insurance market will be better when war industry executives have time to talk to the insurance men.

Rubber and gas situation makes re-

Personal Debts Are Being Paid Off; Loans Increase

MINNEAPOLIS—John Citizen is paying off his personal debts at a record rate so far in 1942, but rising prices and taxes and war bond quotas may cut down his repayments in the near future. American borrowing habits are being kicked all around by war-time conditions, says the Northwestern National Life.

Repayment of money borrowed by its policyholders was at a record high rate for the first seven months, the company states, running 18 percent greater than repayments made in the corresponding period of 1941.

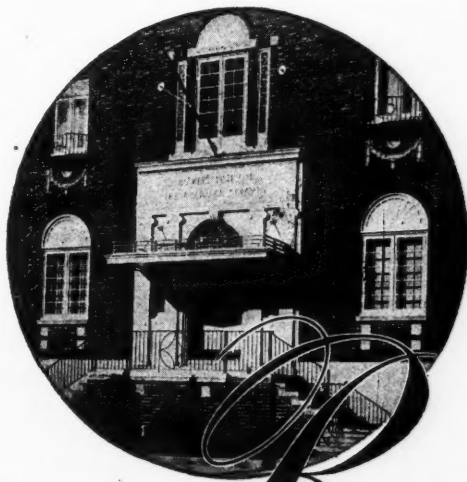
Individual Loans Increase

At the same time, however, total number of individual loans increased sharply, reflecting many new and smaller loans, for a whole list of new purposes, entirely different from the general run of loan objectives in previous years. This volume of smaller loans reduced the size of the average individual loan in force from \$332 as of July 31, 1941, to \$301 as of July 31, 1942, the company's report said.

New loans are being made to finance the moving of families to war industry areas where the breadwinner has taken a defense job. Others are being made in order to bring charge accounts up to date by the 10th of the month and prevent their suspension. Young women borrow to finance trips to see their sweethearts in the armed forces. Increased living costs and taxes are responsible for other loans, to people who have not benefited by so-called "war prosperity."

cruiting against government and war jobs difficult.

Tire, gas, and time conservation make first interview sales a "must."



Proof of Progress

Consistent growth of the AVERAGE SIZE POLICY is thorough proof of sound coverage and public confidence. Average new policy paid for—

In 1937 was—\$2,778.00
In 1941 was—\$3,899.00

Bankers

Ralph R. Lounsbury, President
W. J. Sieger, V. P. & Supt. of Agencies

NATIONAL LIFE

Insurance Company Montclair, N. J.

Facing Conditions Squarely

In These Days It Pays to Know
What Difficulties One Has to Meet

By JAMES A. PRESTON

Sales Manager Columbus Mutual Life

Napoleon said "I make conditions."

Of course this was not exactly true. What he meant was that he took conditions as they were, adjusted his thinking to them, and then so built his plans that seemingly adverse conditions were used to his advantage.

After all, the most reliable index to any man's ability is the speed and ease with which he can adapt himself to new and changing conditions and then use them to his advantage. It is this point of adaptability that was lacking in the prehistoric animals such as the mastodon, dinosaurs and their fellows of a few hundred thousand years ago that led them to the museums of today rather than to supremacy on this earth.

Man has survived only due to the adjustments he has been able to make as his surroundings have changed. Most of the big and important men in our own national history are those who found themselves in rather limited or even desperate circumstances and then used the tools around them to build their fortunes or their fame. No better illustration could be found than Franklin Roosevelt who used his years of disability to do some serious thinking and thoughtful planning. It was during this period that he worked his way through confusion and learned to turn handicaps into assets.

Sees Picture of Opportunities

What looks like a picture of defeat to one man is a picture of opportunity to another. We life insurance men find ourselves today confronting a novel situation—some of us are discouraged by it while others accept it as the "Green Pastures" they have been looking for.

Here are a few facts we must not overlook: 1. War makes people more acutely aware of the need for security. The fact that the papers are full of bombings, submarines, battles, develop in the public a more receptive mind for any suggestions of security. As casualties among our own fighting forces become better known, as the war comes closer to our own doors the people you call upon will be partly sold in advance.

Ordinarily the very idea of death is repellent to our prospect. We have had to be skillful and careful in the past about the way in which we have suggested to him that he, too, will some day die. Too direct a suggestion has scared away many a potential buyer. Even though we do this part of our job with exceeding tact, nevertheless his own death seems to a healthy and normal man a very remote event. "There is always time," he thinks!

The nearer the war comes to him, the more directly the casualty lists affect him, his neighbors and his friends the more easily he accepts the fact that life is uncertain, that sudden death is possible and that he, too, is vulnerable. Therefore, each day this war continues the minds of your future prospects are being more and better prepared for your visit.

Unemployment at Lowest Ebb

2. Your own observation has shown you that unemployment is now at its lowest ebb. Almost anybody who wants a job and is able to work can get on someone's payroll. More than that, wages are good, very good. In fact the prevailing wage scale is higher than it has ever been before. Many a family today has within it three or four wage earners whereas a few years ago the same family was dependent upon one earner who had none too steady a job at rather low pay.

Three years ago only about one-third

of the working population of this country earned in excess of \$125 per month and yet you and I were able to make a good living out of that one-third. It does not seem unreasonable to assume today that less than one-third are now earning less than that amount. In 1939 only about 15 percent of the workers earned



JAMES A. PRESTON

\$185 per month or over while today it is highly probable that at least twice as large a percentage are receiving that much or more.

However we look at the picture we cannot avoid concluding that there are from two to three times as many families within the income brackets of normal prospects as there were only a short while ago.

Material Competitors in Eclipse

3. We life insurance men have always maintained that our competition was not against other life insurance men, but with the radio salesman, the automobile business, the department store and all those enterprises that had an attractive and desirable article that the prospect could handle and enjoy. Our competitors have very largely gone out of business.

We have already seen automobiles,

tires, radios, mechanical refrigerators and dozens of other competing articles go off to market. They can no longer be bought for love nor money. With each succeeding month we will see a diminishing supply of other commodities, none of which we have even learned to regard as necessities. The public's fat pocketbook is finding fewer and fewer things to buy which means that the surplus spendable money is growing by leaps and bounds.

And don't overlook the women. Today a whole new market is opening up to us. Many of them are now making more money than they ever expected their husbands would earn.

Business Men Still Prospects

4. While the ranks of the \$10,000 buyers might be getting smaller they are not closed. There will always be some alert and adaptable businessmen.

A good friend of mine who for many years operated an extremely profitable automobile agency is a typical case. Unlike many other dealers he did not just tell his prospects in the fall of '41 that there might be rationing of cars. It wasn't just a sales gag to him, it was a warning. So he made connection with a small battery company as a distributor. This brought in some money, but when automobiles went off the market he contracted to supply batteries for a concern that makes trucks for the army, thereby securing priorities for his battery company. Today that little outfit is making more batteries per month than they formerly made per year, and a ready customer for each one as soon as it is finished. But this didn't satisfy my friend. He made another deal with a small manufacturer of a puncture proofing product and is now providing that for army trucks just as fast as the factory can produce their product, for the ingredients of which the manufacturer naturally has priorities.

The net results is that my friend actually made more money during the first six months of this year than he did in the combined years of 1940 and 1941 although he hasn't sold as many cars in six months as he usually did per month. And he is not the only man I know who is using what, to most people seem hardships, as a means to greater wealth. You know them, too, but maybe you don't know just which ones they are.

Family Love Still Reigns

5. Men still love their families in the good old fashioned way, and as long as they do they will continue buying life insurance. If they can't buy it from you they'll get it from someone else.

They respond to the same appeals of the emotions that have always brought response, good times or bad, and the

salesman who lets his heart speak to the heart of the prospect is the man who gets business.

Now, bearing these facts in mind you may say, "In spite of all that, my business is off. What can be done about it? How can I get in touch with these new people who are making good money?" The answer is so simple that few people will believe it and even fewer put it to use.

Where did you formerly get your business? Well, the simple answer is "from prospects." And how did you get those prospects? The chances are you got most of your best ones the same way most men get theirs, by doing a little prospecting job every time you make a call or have an interview. In the past our best prospects have come from our best policyholders and from our best friends. We used to ask leading questions as we went about our work. If a new firm had been established we asked our friends and policyholders if they knew the men who were heading it, and if so, we asked for an introduction or at least secured enough information to justify a call and a good interview. We used to ask about their friends and neighbors who were making good money, etc.

Why not begin doing the same thing all over again. There is a great possibility that every one of your policyholders has some relative whose pay check is twice what it used to be. Ten or 12 million people working in defense plants throughout the country can't be totally without friends. There must be another group of 10 or 12 million people who are kin to them and another group of the same number who are their best friends and another group of twice that number who live next door to them. Are you sure that none of the 40 million relatives, friends, neighbors are among your policyholders or among your friends?

I think the trouble with us is simply that we are confused and that it has been far too long a time since we did any real conscientious prospecting work on a planned basis.

Let's do what Napoleon did, look conditions squarely in the fact and then use those conditions for our own advantage.

Bankers National Gets Bond Flag

The entire home office staff of Bankers National Life of New Jersey was assembled when Ralph R. Lounsbury, president, received from Walter D. Head, chairman of the Essex County war bond division, a Minute Man pennant testifying that more than 90 percent of Bankers National employees had enrolled in the payroll deduction plan for the purchase of war bonds. The banner will fly with the American flag in front of the home office building.

LIFE
REINSURANCE

North American Reassurance Co.
99 John Street Lawrence M. Cathles, Pres. New York

Cold Canvass Rule Applied to Work with Defense Men

E. H. Snow of Des Moines Explains Method That He Employs

DES MOINES—"The man who won't see new prospects, will be out of business," is the statement made by E. H. Snow, general agent in Iowa for Aetna Life, as his answer to selling farmers and defense workers. He claims it is all a matter of prospecting. And he has a policy in his agency of having the agents see at least one brand new prospect each day.

Selling the defense worker is a problem in this territory and the agent that gets it is the agent who gets out and sees the prospect—day or night. Mr. Snow is training his agents to work night and day and an example of his resourcefulness is demonstrated in the following example.

Cold Canvass Method

In an Iowa city, which has much defense work, he hired last February a former sewing machine salesman—well groomed in the cold canvass procedure of going from door to door.

As Mr. Snow explained, this was strictly an experiment and still is. The agent was given some special training with an approach of giving his customers a brief opening on the weekly savings plan. He was then started out in the residential district, going from door to door—just like the Fuller brush man.

The object was to explain briefly the savings plan and then make an appointment later in the day with the husband or the wage earner. Starting out at 9 a. m., the agent made on the average of two or four appointments for later in the day.

Successful in Sales

Since February the agent has made 37 sales. During June he made 10 life sales and during the first part of July he made three. This was in addition to other types of insurance he sold.

Most of the sales were 20-year pay life or endowment at 65 form. From his working sheet, it was discovered the average wage earner he sold was making from \$30 to \$60 weekly.

Mr. Snow is pretty well sold on this type of prospecting because it brings the agent in contact with the defense worker, which the other agents are having trouble finding.

Another experiment which he is now trying out is home calls obtained through the permission of employers. The employer is contacted and permission secured to use his list of home addresses of the employees. The employer can be easily sold on this approach because he knows that if his employees are interested in life insurance they make better employees.

Mast Is Company Director

Walter E. Mast, manager of the life and health and accident department of California Agencies, Los Angeles, was elected a director of Continental Assurance.

Splendid App-a-Week Showing

The northwestern department of New York Life, which includes Minnesota, North Dakota, Wisconsin and upper Michigan, reports an extremely fine record for its agents in its App-a-Week club.

There are 45 agents showing more than 205 consecutive weeks, led by E. A. Schweiger of the Capital branch with 1,285 weeks. Second is A. R. Rydeen, Minneapolis, with 1062. Forty-three more are listed, and only seven of these

run below 300. In addition to this, the department has eight agents showing from 121 to 197 consecutive weeks.

Sayward Elected President of John Hancock Group

Dwight Sayward, general agent of John Hancock Mutual Life at Portland, Me., was elected president of the John Hancock General Agents Association at a meeting in Chicago.

Clarence W. Wyatt, Boston, and Henry S. Stout, Dayton, O., were elected vice-presidents. Albert C. Adams, Philadelphia, is treasurer and John A. Witherspoon, Nashville, secretary. Mr. Witherspoon is immediate past president National Association of Life Underwriters.

Directors elected are: McKay Reed, Louisville; Ricks Strong, Dallas; J. Bruce MacWhinney, Newark; Walter Powell, Atlanta, and Robert M. Williams, Little Rock.

Chicago Nominating Committee

James H. Brennan, Fidelity Mutual, president Life Agency Managers of Chicago, has named J. D. Moynahan, Metropolitan Life, as chairman of the nominating committee. A. A. Loeb, Penn Mutual, and W. S. Fuller, Prudential, are members of the committee, which will prepare a slate to be voted on at the annual meeting.

Memphis Leaders Honored

F. W. Holland, general agent for Massachusetts Mutual at Memphis, presented in behalf of the company plaques to William F. Hughes and Herman Kabakoff who have just completed 500 consecutive weeks with one or more applications each week during this period. On Sept. 1 Mr. Hughes will have completed 48 consecutive months as a "spot light" producer with Massachusetts Mutual which means that he has paid for a minimum of \$20,000 of business each month during this period.

Pay Lytton Policy at 96

Henry C. Lytton, dean of Chicago merchants and founder of the Hub clothing store there, received payment on his insurance policy with Northwestern Mutual Life on his birthday last month. He was 96 years old. Mr. Lytton purchased the policy, a 20-payment life, in 1900 from Charles Sachs, now deceased, of the Chicago office. It was noted at the office that Mr. Lytton's signatures of 1900 and of 1942 are almost identical, showing that he has lost little of his vigor.

More Farm Income Into Savings

In 1941 farm families put more than twice as much into savings as they did in the 1935-36 period, according to a survey by the U. S. Department of Agriculture. They reduced debts, bought defense bonds and stamps, and made investments of other kinds in 1941. While December, 1941, prices for things farmers buy were 15 percent higher than January, 1941, net money income of farm families average 46 percent higher in 1941.

Harry B. Keeling, of Newcomb, Keeling & Lovitt, Los Angeles, one of the best known life men in that city, is putting in a portion of his time as a mechanical engineer at one of the aircraft manufacturing plants. He is maintaining his life insurance business.

The Wichita General Agents & Managers Association is scheduled to resume its fall meetings Oct. 5, although a special meeting may be called in September, according to W. E. Moore, Pacific Mutual, president.

George Maltby, district agent of Equitable of Iowa in Kansas City, Kan., has been named executive chairman of the Wyandotte county war savings committee. He is past president of the Kansas City, Kan., Chamber of Commerce and is a leading producer for his company.

The 7 Months' Record Speaks

INDIANAPOLIS LIFE MEN have made an outstanding record in 1942 to date.

NEW BUSINESS

22.2% ahead for the first 7 months in 1942.

July submitted business was the largest of any July in the Company's history.

THE AVERAGE PRODUCTION PER MAN

has shown a substantial increase in 1942. (The report of the Insurance Section of the S.E.C. to the TNEC stated that Indianapolis Life's full-time men earned the largest average income of any company studied.)

LAPSE RATIO LOW

The persistency of the Company's business, while always good, has been remarkably favorable.

GAIN OF INSURANCE IN FORCE

—Over \$4,500,000 for the 7 months, bringing total to over \$125,000,000.

In addition to the splendid results shown above, Indianapolis Life men have gladly taken leadership responsibilities in selling War Bonds and in Civilian Defense.

INDIANAPOLIS LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

A Legal Reserve, Mutual Company

Organized in 1905

EDWARD B. RAUB
President

A. H. KAHLER
2nd Vice-President
Supt. of Agents

Agency opportunities in Indiana, Illinois, Ohio,
Michigan, Minnesota, Iowa, Texas and California

82 YEARS OF SERVICE

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA NEW YORK CITY



A MUTUAL COMPANY
ESTABLISHED 1860

THE AETNA LIFE AFFILIATED COMPANIES OF HARTFORD, CONNECTICUT

Complete P

For The Home

FIRE
TORNADO
RENTAL VALUE
EXPLOSION
HOLD-UP

BURGLARY, THEFT & ROBBERY
COMBINATION RESIDENCE
RESIDENCE LIABILITY
EMPLOYER'S LIABILITY

MORTGAGE CANCELLATION
WORKMEN'S COMPENSATION
WATER DAMAGE
AIRCRAFT PROPERTY DAMAGE

For The Bu

AUTOMOBILE
ALL FORMS

BONDS

FIDELITY
SURETY
BANKERS' BLANKET
BROKERS' BLANKET
CHECK FORGERY
SECURITIES FORGERY
COMMERCIAL BLANKET
CONTRACT
COURT
PUBLIC OFFICIAL

BURGLARY, THEFT
AND ROBBERY
MERCANTILE BURGLARY
BANK BURGLARY
HOLD-UP
SAFE BURGLARY
MESSENGER AND STORE ROBBERY
STOREKEEPERS BURGLARY
AND ROBBERY
OFFICE BURGLARY AND ROBBERY
PAYMASTER ROBBERY

FIRE AND ALLIED LINES
ALL FORMS, INCLUDING:
TORNADO
EXPLOSION

RENTS
BUILDERS' RISK
BUSINESS INTERRUPTION
EXPLOSION LEGAL LIABILITY
LEASEHOLD
MULTIPLE LOCATION FIRE
REPORTING COVERS
RIOT & CIVIL COMMOTION

GROUP
LIFE
WHOLESALE
CREDITORS
ACCIDENT AND SICKNESS
DEATH AND DISMEMBERMENT

IT PAYS TO B

THE AETNA LIFE
INSURANCE COMPANY

THE AETNA CASUALTY
AND SURETY COMPANY

UT TE PRACTICALLY EVERY FORM OF INSURANCE AND BONDING PROTECTION

e Protection

For The Individual

LIFE
ANNUITIES
ACCIDENT
HEALTH
SICKNESS EXPENSE

AUTOMOBILE
PERSONAL LIABILITY
SPORTS LIABILITY
GOLFERS' LIABILITY
CHECK FORGERY

PERSONAL EFFECTS
FINE ARTS
JEWELRY-FUR FLOATER
MUSICAL INSTRUMENTS
CAMERAS

he Business

ANNUITIES
HOSPITALIZATION
VOLUNTEER FIREMEN

LIABILITY
GENERAL PUBLIC
OWNERS', LANDLORDS' & TENANTS'
ELEVATOR
EMPLOYERS'
INDUSTRIAL SIDE TRACK
CONTRACTORS'
PRODUCT
DENTISTS'
DRUGGISTS'
PHYSICIANS' & SURGEONS'
HOSPITAL

GROUP PROFESSIONAL

LIFE
KEY MAN
PARTNERSHIP
STOCK RETIREMENT

MARINE
TRANSPORTATION
MOTOR TRUCK CONTENTS
PARCEL POST
REGISTERED MAIL
OCEAN CARGO
COASTWISE CARGO

INTERCOASTAL CARGO
EXPORT & IMPORT VESSELS
SALESMEN'S SAMPLES
DEFERRED PAYMENT
SCHEDULED PROPERTY
BAILEE'S CUSTOMERS
CONTRACTORS' EQUIPMENT

PLATE GLASS
SPRINKLER LEAKAGE
WATER DAMAGE
WORKMEN'S
COMPENSATION

B A N AETNA-IZER

THE AUTOMOBILE
INSURANCE COMPANY

THE STANDARD FIRE
INSURANCE COMPANY

XUM

NEWS OF THE COMPANIES

Aetna Life 5 Billion Company

The \$5,000,000,000 mark of life insurance in force has now been passed by Aetna Life. As of June 30, its insurance in force was \$4,957,151,267 and during July the \$5,000,000,000 mark was reached. There are now three companies that have between \$5,000,000,000 and \$6,000,000,000 of insurance in force, the others being John Hancock Mutual and Travelers.

Assets Increase \$64,95,000

For the year ending June 30, Aetna Life assets increased by \$64,795,000 to \$806,922,714; surplus increased by \$2,546,472 to \$31,752,052, with an additional contingency reserve of \$7,830,000. Total income of Aetna Life for six months was \$89,370,950, an increase of 12 percent over the \$79,862,233 of the first half of last year. Income exceeded disbursements by \$28,027,710 as compared with \$21,904,844 last year.

Travelers Reports Substantial Gains

Total income of Travelers, according to figures filed in Georgia, was \$57,700,000 for the six months ending June 30, and exceeded disbursements by \$39,607,069.

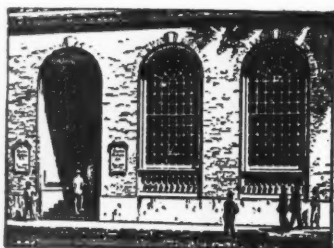
Admitted assets of Travelers totaled \$1,189,944,428, an increase of \$33,500,000 for the first six months. Net premium reserves were up about \$45,000,000 from a year ago, with special reserve at \$29,912,885. Surplus was \$53,474,351, an increase of \$4,436,588.

Commonwealth Nears Goal

Commonwealth Life in the first six months of 1942, added \$7,972,080 to its insurance in force 39 percent increase, bringing the total to \$191,679,520, as against a goal at the close of 1942 of \$200,000,000. Ordinary sales were ahead 3.6 percent.

Another Oklahoma Withdrawal

American Savings Life of Kansas City has withdrawn from Oklahoma. The reason assigned was insufficient amount of business to warrant remaining in the state.



The Boston Mutual LIFE INSURANCE CO.

51st Year of Service to the People of New England.

A Company of High Character and Standing.

JAY R. BENTON, President

HOME OFFICE
Boston, Mass.

Sun Life Tops 3 Billion in Force

Insurance in force of Sun Life of Canada now exceeds \$3,000,000,000, the exact figure of June 30 being \$3,011,996,281. The insurance in force of Sun Life at the end of 1941 was \$2,971,747,088, so that the gain for the first six months was about \$40,000,000.

Assets during the six months increased by about \$25,000,000 and now are about \$1,020,000,000.

In July, Sun Life had a very substantial increase in new ordinary life business which is attributable in large measure to the new revenue provision in Canada which permits certain tax offsets for the purchase of new life insurance.

To Appeal American Life Decision

LANSING, MICH. — Commissioner Berry of Michigan, as receiver for the old American Life of Detroit, will contest the decision just returned in the eighth U. S. circuit court under which the Iowa commissioner is given the sole right as receiver to administer the \$3,600,000 in securities deposited with the Iowa department by the former American Life of Des Moines which had been reinsured by the Detroit carrier some years before the latter company was thrown into receivership by a Michigan department action.

Clayton Jennings, Lansing attorney, who is representing the Michigan commissioner in the litigation, said a petition already has been filed with the U. S. circuit court for a rehearing. If a rehearing is not granted, a writ of certiorari will be sought, he said, to bring the issue before the U. S. Supreme Court. The theory advanced in the petition for rehearing, it was explained, is that there was no policyholder claim against the Iowa fund, all policyholders having submitted to the Michigan receiver or having entered into new contracts with the reinsuring company, American United of Indianapolis. Hence, it is pointed out, the issue is moot as there was no controversy over jurisdiction except with the Iowa commissioner-receiver.

Moves Into New Home Office

American Hospital & Life, San Antonio, Tex., which acquired the 10 story Builders Exchange building several months ago, has completely remodeled the ninth floor and moved into its new home. The formal opening was held this week.

S. E. McCreeless, president and organizer, started in life insurance with Equitable Society in 1928. Later he went to Texas and was associated with the San Antonio agency of the Union Central Life until 1935 when he organized the company.

COMPANY MEN

Conn. Mutual Life Appointments Are Announced

Connecticut Mutual has made two promotions and appointed a new member to the official staff.

Gladstone Marshall, who since 1929 has been assistant actuary, was promoted to associate actuary; Wilfred Terryberry, a member of the actuarial department since 1922 was advanced to assistant actuary; and Daton Gilbert, a member of the Sales Research Bureau, was appointed assistant actuary.

Mr. Marshall, a graduate of the University of Toronto where he specialized

in mathematics, went with Connecticut Mutual in 1921. He became active department head of the actuarial department in 1924 and in 1929 was made assistant actuary. He is a fellow of the Actuarial Society.

Mr. Terryberry, graduating from the University of Toronto in 1922, went directly to Connecticut Mutual as a member of the actuarial department. He succeeded Mr. Marshall in 1929 as active department head. He is also a fellow of the Actuarial Society.

A graduate of Colgate University, Mr. Gilbert spent a year in post graduate work at Brown University before joining Prudential where he worked for four years. He then joined the Research Bureau as research associate. Mr. Gilbert is an associate of the Actuarial Society.

Bright and Cullen Are Advanced by Aetna Life

Two members of the advertising staff of the Aetna Life companies were promoted.

Frederick W. Bright, a member of the department since 1936, is now supervisor of the motion picture bureau and Paul B. Cullen, a member of the department since 1939, is supervisor of the recently organized news bureau.

A native of Harrisburg, Pa., Mr. Bright was connected with the Bradstreet company before he joined Aetna as a special agent at Philadelphia in 1929. He joined the home office publicity department in 1936 and in 1939 was manager of Aetna's exhibit at the San Francisco fair. In 1940, Mr. Bright was charged with organizing Aetna's motion picture activities in the publicity department.

Mr. Cullen was born in Bristol, Eng., and is a graduate of Loomis School, Windsor. After working for an export company in New York, he joined the Hartford "Courant" as a member of the city staff in 1934. He became a member of Aetna's publicity department in 1939 and until his appointment as supervisor of the recently organized news bureau was editor of the "Aetnaizer," casualty, bond, fire and marine edition.

Uptegrove Succeeds Gordon

Daniel Uptegrove, Jr., has been appointed manager of the bond department by General American Life. He succeeds W. C. Gordon, Jr., assistant treasurer and bond department manager, who resigned last month to take a post with the War Production Board in Washington as principal industrial economist of the division of industrial research and statistics.

Mr. Gordon had been with General American since 1934 and was elected assistant treasurer in 1939. Mr. Uptegrove is a Yale and Harvard School of Business Administration graduate. He was prominent in the investment banking field since 1932 and for the last five years had been managing the analytical department of Reinholdt & Gardner, investment house.

Hunter Elected to Home Board

William T. Hunter, president and director of A. Schrader's Son, Brooklyn, was elected to the board of directors of Home Life of New York. Mr. Hunter is also vice-president and director of Scoville Manufacturing Co. of Connecticut, a director of the Brooklyn Chamber of Commerce and of the Home Title Guaranty Co. He is a trustee of the Brooklyn Institute of Arts & Sciences and of the Brooklyn Savings Bank.

Prudential Actuaries Advanced

NEWARK—Prudential announce a number of home office promotions in its ordinary actuarial department. Frank L. Griffin, Jr., Albert Pike, Jr., and Arthur A. Windecker, Jr., have been advanced to mathematicians and John Boyer, Bennet B. Murdock and William H. Schmidt to assistant mathematicians.

ACTUARIES

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FRANK M. SPEAKMAN

CONSULTING ACTUARY

Associate

E. F. Higgins

THE BOURSE PHILADELPHIA

AGENCY CHANGES

W. C. Hettrick Is Made Manager at Peoria

Announcement is made by Bankers Life of Nebraska of the appointment of W. C. Hettrick as general agent at Peoria, Ill. Prior to entering the life insurance business, he was connected with the Retail Credit Company in Chicago and Evanston, Ill. In 1935 he became an agent for Northwestern National Life in Minneapolis, and later was appointed supervisor of that company. He later became associated with Guardian Life as agency supervisor of the Grosser & Gregsamer agency in Chicago.

Anderson Succeeds Staudt; Lohner Takes Agency

Karl W. Anderson, Newark, O., has been appointed general agent by Central Life of Iowa and will establish headquarters at Canton, O. He succeeds the late R. Z. Staudt, Sr., 62, who died recently after a long illness. Anderson has been with the General Mutual Life for three years in supervisory work.

Staudt's Agency Was Outstanding

Mr. Staudt conducted an outstanding agency for Central Life, which he represented for 22 years. He had been in the insurance business for over 40 years. His agency produced more than \$13,000,000 of business and in 1921, 1925, 1928 and 1929 produced well over \$1,000,000 annually.

Don B. Lohner, home office supervisor operating out of Sioux City, Ia., has been appointed general agent and will establish headquarters either at Storm Lake or Spencer. He will be in charge of a group of northwestern Iowa counties.

American Mutual Names Two New General Agents

American Mutual Life has appointed two new general agents, Frank O. Gregg at Dallas, and Gradus J. DeKock at Okaloosa, Iowa.

Both men have had broad experience in the agency field. Mr. Gregg entered the life insurance business in 1922 at Cedar Falls, Ia., with Western Life. In 1927 he went to Texas and became general agent of California-Western States Life at Dallas. From 1934 to 1937 he was general agent of American Mutual Life in Dallas, and from 1937 to 1942 was supervisor and general agent for Ohio National Life.

Mr. DeKock has been in the life insurance business since 1930. For five years he was with Metropolitan Life as agent and assistant district supervisor in Pella and Ottumwa, Ia. Following that he was general agent for Guarantee Mutual in Des Moines three years, and for the following four years general agent for Occidental Life.

Carrico General Agent in East St. Louis

John M. Carrico has been appointed general agent in East St. Louis, Ill., by General American Life. He succeeds the late L. H. Knick.

Mr. Carrico entered life insurance work at Champaign, Ill., in 1934, and has been a successful agent, supervisor and district manager. He has spent the

STATE MUTUAL LIFE PROMOTIONS



RICHARD C. GUEST

Richard C. Guest, actuary, and Irving T. F. Ring, general counsel, are elected vice-presidents of State Mutual Life. Both 45 years old, they are the youngest officers in the history of the company to become vice-presidents.

Mr. Guest, whose full title is vice-president and actuary, has spent his entire business life in the State Mutual actuarial department, entering the company in 1920 on graduation from the University of Toronto.

The fourth man in the company's 98 year history to hold the title of actuary, and the first actuary to become vice-president, Mr. Guest, who is a native of London, Ont., was made assistant actuary in 1927 and associate actuary in 1936. He became actuary four years ago.

Mr. Guest's Activities

As a fellow of the Actuarial Society of America and of the American Institute of Actuaries, Mr. Guest has taken an active part in their business discussions. He is past chairman of the joint committee on "Problems and Solutions" of the two organizations. He is also a member of the American Statistical Association.

Mr. Guest, who took a leading part

greater part of the past few years in East St. Louis and adjacent territory.

Jack Lloyd, formerly of the Springfield, Mo., agency, has been promoted to district manager in Alton, Ill.

He joined the Springfield agency in January, 1941, and qualified for the 1941 Leadership Club in his first year.

W. M. Paris, Jr., has been appointed group representative for the Texas territory formerly covered by Guy M. Hamm, Jr., who recently was commissioned a second lieutenant in the army. Mr. Paris had been a special representative for both sales and service for the past two years, working out of the home office group department. He will make his headquarters in Dallas.

Funnell to Spokane

Lyle H. Funnell, district manager in Great Falls, Mont., of Mutual Life of New York, has been appointed agency organizer in Spokane. He succeeds Lewis T. Bostwick, resigned. Mr. Funnell ranked first among Mutual Life's representatives in the mountain division in production during the past year.

B. H. Conroy to Chicago Post

B. H. Conroy, who has been assistant manager of the Motor City district of Metropolitan Life in Detroit, has been transferred to Chicago assistant manager of the west suburban district of which John D. Moynahan is manager. In Chicago he succeeds Clyde V. Mc-



IRVING T. F. RING

in the development of State Mutual's new compensation plan for its agents and general agents which was introduced to its agencies last month, and which provides for adequate retirement funds for its career agents, has been one of two actuaries named on the original committee on agents' compensation of the Sales Research Bureau.

Mr. Ring, who becomes vice-president and general counsel, began his career in State Mutual in 1919, entering the claim department the following year. He was advanced to assistant counsel in 1925 and to attorney in 1927. He became general counsel in 1931, succeeding Chandler Bullock in that post after the latter became president in 1927.

A native of Maine, Mr. Ring made his connection with State Mutual soon after he finished his training at Boston University. Deciding to study law, he interrupted his business career in the home office to enter Northeastern University, where he took his degree.

On graduation, Mr. Ring went into general practice for a year, during which he made a concentrated study of the legal side of the business. He returned to State Mutual in 1924 as assistant to Mr. Bullock.

Elroy, who was recently appointed a manager in Milwaukee. Mr. Conrov has been with Metropolitan Life nine years and was an outstanding producer before assuming managerial duties.

Van Keuren is Advanced

Frank Van Keuren has been appointed state supervisor in South Carolina for Atlantic Life. He has been general agent in Columbia.

Shelk to Head Reliance Office

Reliance Life has appointed Russell Shelk as acting manager of the Washington, D. C., branch, replacing David M. Stephens, who is now a captain in the officer procurement branch of the adjutant general's department of the army, stationed in Baltimore.

Mr. Shelk joined Reliance in 1924 and was named agency instructor in Washington early this year. He became a C. L. U. in 1932. Mr. Stephens' contract will remain in suspension while he is in the service.

Ernst With Franklin Life

Franklin Life has appointed Lyle Ernst a general agent, to handle its life business in the Wichita area. Mr. Ernst, who entered the life business shortly after he was graduated from Kansas State College in 1925, has proved himself a successful personal producer as well as supervisor. He was

Here's the Spirit!

Despite the many taken into armed forces and war industries our reduced field force is achieving a production record this month that beats any August in 10 years.

"No contest nor nuthin!"
They're that kind.

Guardian Life
Insurance Company

Home Office Madison, Wisconsin



This is the fourth in a series illustrating the unique features that make Central Life policies easy to sell.

Cheaper than Term?

Yes. Get out your rate book. What would you charge a man of 50 for 10-year Term?

Central Life would charge him \$19.81 for the new TRIPLE PROTECTION TO 60 policy—

A Whole Life Plan

With 10-year Term, after age 60, he'd have no protection; with TRIPLE, he'd still have protection for life plus rapidly increasing—

Cash Values

Here is a policy attuned exactly to the demand of the times for every bit of protection value from each premium dollar. Rates are comparably low at all ages of issue.

It's a policy Central Life men are finding extremely easy to sell. We shall be glad to send all details about it to men interested in agency opportunities with a 37-year-old company. Write to —

Alfred MacArthur, President

CENTRAL LIFE

Insurance Company of Illinois

211 West Wacker Drive, Chicago, Ill.

formerly associated with Bankers Life of Nebraska.

Ryan to Corpus Christi

Marvus A. Ryan, San Antonio associate manager Southwestern Life, has been transferred to Corpus Christi, Tex., and will be in charge of the Rio Grande Valley. He has served as vice-president of the San Antonio Association of Life Underwriters.

Gets Ala. for Life of Va.

Frank C. Heard has been appointed manager of the ordinary department in Alabama for Life of Virginia. Mr. Heard's headquarters will be in Birmingham where William A. Berry, recently resigned because of impaired health, was head of the former north Alabama agency for more 10 years. Mr. Heard will have charge of all of Alabama.

Keith Lyons & Co., San Antonio, Tex., has been appointed general agents for Washington National Life.

CHICAGO

WIESE AGENCY SHOWS GAIN

The Raymond J. Wiese agency for Northwestern National Life in Chicago is conducting a three months' contest for production. The office is divided into two teams, the "Flying Tigers" and the "Flat Tops." Vic Jensen is captain of the former team and Mac McGovern leads the other. The achievement contest began Aug. 1 and will run until Oct. 31.

Mr. Wiese reports that the agency is 20 percent ahead so far this year in paid for business applications, and is also second in the country for Northwestern National for August production. He is very optimistic as to the future production of the life business.

Much of the credit for the gain in the agency must go to the 18 men there who qualified for the company convention which was called off this year because of the transportation restrictions.

CEREMONIES AT HOSPITAL

Following the presentation of the "Manager's Magazine" trophy to the Chicago General Agents & Managers Association at the convention of the National Association of Life Underwriters in Chicago, additional presentation ceremonies were conducted at Henrotin Hospital where James H. Brennan, Fidelity Mutual, president of the Chicago group, was confined with a broken leg. The trophy which is awarded for the most outstanding record of accomplishments by a managers association, was accepted at the general session by Earl M. Schwemm, Great-West Life, vice-president of the Chicago organization. Then L. W. S. Chapman, editor of the

Increase your accident sales with ideas from the Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

"Manager's Magazine"; W. W. Hartshorn, Metropolitan Life, Hartford, chairman of the general agents and managers' committee of the N. A. L. U., and John D. Moynahan, Metropolitan Life, immediate past president of the Chicago group, went to Henrotin Hospital and made the presentation to Mr. Brennan.

Mr. Brennan has now been released from the hospital but it will be some little time before he is able to get back on the job.

NEW YORK

PERSONAL ESTATE PLANNING

"Personal Estate Planning In a Changing World," by Rene Wormser of the New York bar has just been published. It should prove of great value to insurance agents, according to H. S. Koster, director of the Estate Analysis Company of New York City, which is affiliated with the M. M. Goldstein agency of Connecticut Mutual. The book should be useful even to those agents not specializing in estate planning, for it is written for laymen and is very largely a translation of technical legal terms into ordinary language.

The author's major premise is that inflation is inevitable but it turns out that his definition of inflation is broad enough to include anything from merely a general increase in the price level to the really disastrous type. Because of the stress on inflation the thesis is that investments should have a high degree of flexibility and liquidity. For that reason the author tends to slight the importance of fixed dollar obligations as investments. Similarly, he gives rather scant attention to the dangers of deflation, which many students regard as more serious than inflation in estate matters.

While many life insurance men will disagree with the author's assumption that inflation is inevitable and that it is so much more to be feared than deflation or with his preference for flexible trusts for life insurance proceeds as opposed to settlement options they can find a great deal that is useful in the book.

"Personal Estate Planning In a Changing World" is published by Simon & Schuster and may be obtained from The National Underwriter Company. The price is \$2.50.

LISTS GOOD SALES PROSPECTS

Despite the fact that life business is slow in New York generally, an agency manager says that good sales may be obtained from concentrating on certain industries. Among these, he finds, are the following: rayon manufacturing; stocking industry; silk goods; luggage; cotton business to a limited extent; people working on government contracts engaged in assembly, cutting up, and shipping goods out of the city; army

clothing, and selected technical men, including engineers and mechanics familiar with fine mechanisms.

ROTHENBERG TO AID BEARDSLEE

Columbian National Life has appointed Nathan Rothenberg brokerage supervisor in the Beardslee agency, 45 John street, New York City. He has been in the insurance business 20 years, formerly in the Ives & Myrick agency of the Mutual Life of New York.

POLICIES

Aetna Life "Par" Forms to 2½%

Aetna Life as of Oct. 1 will change the reserve basis on its participating contracts from 3 percent to 2½ percent. This will result in a general increase in premium rates, but also cash values will be higher. The announcement has been sent out to the field force by S. T. Whately, agency vice-president.

The guaranteed interest rate on optional modes of settlement, including dividends left at interest, will be reduced from 2½ percent to 2 percent on both par and nonpar policies. To this will be added any excess interest declared from year to year. This changes the amount of monthly income payable under the settlement options.

The nonpar policy reserve basis remains unchanged at 3 percent.

Cash values at maturity in life income plans are increased by Aetna's action, so there will be a corresponding increase in premium rates for these forms.

Premium Rates Shown for United Fidelity Policy

Annual premium rates for the "All Out For Victory" policy announced by United Fidelity Life are presented below. This contract is designed for men who because of deferred military classification or dependents do not expect to be called to active military service and feel they should not have a war clause in their policy. It is an endowment at age 80 written only on the one plan and only in the amount of \$2,000 per life.

The policy has sold well since it was announced. Each agent is restricted to five applications on this form per month, the purpose being to secure distribution of this contract over the entire territory in which the company operates and not concentrate too much in any one area.

The policy permits agents to over-

come the prospect's excuse that he does not want to buy a contract which contains a war clause, as this form does not contain such a clause. Another feature is that for duration all premiums deposited on these policies will be used to buy war bonds. The annual premium rates are:

Age	Prem.	Age	Prem.	Age	Prem.
15...	\$30.12	30...	\$42.08	45...	\$71.06
16...	30.72	31...	43.28	46...	74.00
17...	31.32	32...	44.68	47...	77.40
18...	31.92	33...	45.86	48...	80.78
19...	32.52	34...	47.26	49...	84.58
20...	33.10	35...	48.66	50...	88.56
21...	33.90	36...	50.46	51...	92.76
22...	34.70	37...	52.04	52...	96.50
23...	35.50	38...	53.84	53...	99.86
24...	36.30	39...	55.64	54...	103.64
25...	37.10	40...	58.24	55...	107.60
26...	38.08	41...	60.42	56...	112.56
27...	38.88	42...	62.82	57...	118.36
28...	40.08	43...	65.42	58...	124.64
29...	41.08	44...	68.00	59...	131.42

ACCIDENT

Union Mutual Has Large Accident and Health Class

A class including 75 percent of the employees in the accident and health department of Union Mutual Life, Portland, Me., completed the 22-week course in accident and health insurance sponsored by the Health & Accident Underwriters Conference. A considerable number of other executives and employees from the general office staff of the company, as well as from the home office agency, also enrolled in the course.

All of those who completed the course and took the final examination passed with high grades and were awarded certificates by the conference.

Much of the credit for the success of the classes at Union Mutual was given, to Robert J. Leggett, chief underwriter of commercial accident and health business.

Double Indemnity, Partial Disability Are Studied

From a detailed consideration of the subject of "Double Indemnity in Accident Insurance," R. J. Wetterlund, general counsel of Washington National, Evanston, Ill., said it is his conclusion that the choice of language used in a double indemnity clause is good, and that as a whole the courts have placed reasonable interpretations upon the provisions. He made his observation at the accident and health round table conducted by the insurance section at the American Bar Association convention in Detroit.

The provision is not self-defining, and

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what it wants—
complete personal protection. You can
build a good volume with the Federal
Life and Casualty's accident—health—life protection for both men
and women and juvenile life for children. Territory open in 30 states.

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DETROIT - - - MICHIGAN

the courts have not gone too far afield, considering the general language employed. Practically all phases of the double indemnity provision have been well tested in the courts, according to Mr. Wetterlund.

Harlan S. Don Carlos, manager life and accident group claim departments of Travelers, said in his talk that because

only about 1 percent of the claims under the total and partial disability provisions of accident insurance ever are litigated, attorneys can get a better perspective and background for counsel to claimants or companies through a study of the history and developments of these provisions than from analysis of court cases bearing on them.

cluding E. E. Henderson, general agent Chicago, attended.

Campbell Clan Has Gathering at Little Rock

With Vice-president S. T. Whatley as honor guest, the Gordon H. Campbell & Co. agency of Aetna Life at Little Rock held an important agency meeting of the Campbell clan. The meeting was preceded by a 2½ week campaign for new business in honor of the birthday of Mr. Campbell and to qualify for attendance. A birthday bouquet was presented to Mr. Campbell at the opening session and one flower was provided for each application secured during the campaign. There was a morning and afternoon session, luncheon, reception at the home of Foster Vineyard and vice-president's dinner. The banquet speakers were Mr. Whatley and Louie E. Throgmorton, general agent at Shreveport for Aetna Life.

Higdon in Spokane

SPOKANE, WASH.—At a conference of Business Men's Assurance agents here with Vice-President J. C. Higdon, policies revised to meet wartime needs were discussed. Special attention was devoted to a new war injury policy. Karl K. Krogue, Spokane manager, presided.

TWO-DAY REGIONAL

SALT LAKE CITY—Business Men's Assurance held a two-day regional convention here for 40 agents from Utah, Idaho, Nevada and Montana. Walter M. Jones, manager, was in charge of arrangements. Speakers included Commissioner Carlson, Vice-President J. C. Higdon and H. C. Progue, manager group department. Five salesmen qualified for war bonds given in lieu of the all star convention.

Streeter Agents Confer

ST. PAUL—The annual educational conference of the Streeter agency of Equitable Society here was attended by 40 agents and their wives. A. M. Embry, Equitable general manager, Kansas City, participated in the conference which lasted three days.

ASSOCIATIONS

Taggart and Rutherford to Speak at Peoria

Headliners in life insurance will address the Peoria (Ill.) "victory" sales congress Oct. 23-24, including two high National Association of Life Underwriters officials, James E. Rutherford, newly-elected executive vice-president, and Grant Taggart, Cowley, Wyo., who last week was elected president.

Mr. Rutherford will have a prominent place on the program both days. He will speak at the managers' division meeting Friday afternoon, Oct. 23, and at the sales congress Saturday morning. Mr. Taggart will be the featured speaker at the general agents and managers dinner Friday night, which members of the state association will attend.

An attendance of more than 1,500 persons is anticipated, according to J. M. Clark, general chairman. All sessions will be held at the Pere Marquette hotel. The event is sponsored by the Peoria Association of Life Underwriters.

The sales congress will be on Saturday, the general agents and managers meeting and the semi-annual meeting of the Illinois Association of Life Underwriters Friday.

Tennessee Agents Group Praised

The Jacksonville (Tenn.) Association of Life Underwriters was complimented by the Jackson "Sun" last week in an editorial for its outstanding job in pushing the sale of war bonds. About 95 business and industrial firms have been signed up for salary deduction, with practically all the employees agreeing to apply 10 percent of their earnings to purchase of the bonds. Some 2,000 employees are affected.

St. Paul—Fall activities will start next month with a luncheon meeting at which Earl Moore, Minnesota Mutual Life, Los Angeles, will speak.

Minneapolis—The Twin City Women Life Underwriters held a luncheon.

Wichita, Kan.—Newell C. Day, Davenport, Ia., general agent Equitable of Iowa, will speak Sept. 11. Meeting dates having been changed to the second and fourth Fridays instead of Saturdays. A

LIFE SALES MEETINGS

California-Western Agents Gather in San Francisco

SAN FRANCISCO—The second in a series of field training schools was held here by California-Western States Life for managers, assistants and agents, the first being held in Sacramento. Sessions will be held in Portland, Ore., Aug. 31, Sept. 1-2; Los Angeles, Sept. 15-17; San Antonio, Tex., Sept. 21-23; Beaumont, Tex., Sept. 29-30, and Oct. 1; Dallas, Oct. 5-7. Meetings will also be held in Colorado and Wyoming and at Salt Lake City.

Ray P. Cox, executive vice-president heads the list of home office executives who are leading discussions at these schools, assisted by Ernie Guttersen, inspector of agencies; Jack O'Neill, executive agency assistant; and Mrs. Stella Gibbs, director of the women's division. At the San Francisco sessions, M. B. Moore and Carl Schnake, group representatives and Harry W. Storck, supervisor, were also on the program.

Pay New Agents While Training

One day is being devoted to a discussion of the new 14 weeks' training program which has just been completed. Under the set-up new agents are to be paid a salary during the training period.

Vice-president Cox spoke on "The Vital Importance of the Life Underwriter in America's War Effort" and Mrs. Gibbs on "Using the Telephone to Save Gasoline, Rubber, Time and Money." The balance of the sessions was devoted to seminars on various subjects, including "Selling with Social Security" in which new material has been added to the agents' present social security kit; "Selling Life Insurance as an Investment" with demonstrations on how to sell in view of the increased purchase of war bonds; "Selling with the Pay Check Plan"; "Selling the Woman Buyer" and "Selling Wife Insurance." Two films were presented: "Selling the Interview" and "Motivation."

More Business From Women

Highlight of the two-day session for agents appeared to be reports on the increased sale to women; one agency reporting 80 percent of its production from this source; another reporting 75 percent of its business from women, par-

ticularly those now engaged in defense work within the age bracket of 18 to 23. It was brought out that in most instances the sale is based on twenty pay life insured savings plan. One agency writing the largest volume of this business on women reported it had had no lapses in the two year period just closed.

A large percentage of the business placed with women is sold by men and, conversely, women agents are writing a large percentage of men. In several instances, widows of former agents are carrying on their husband's business following his death. One of these widows is Mrs. Anna Cicchetti of San Jose who worked with Mr. Cicchetti prior to his death. Formerly she specialized in writing young men with emphasis on the savings features of life insurance; now, however, she is writing more of the younger women who are working in defense industries.

Cyrus B. Rhodes, San Francisco, was voted the prize for the best wartime prospecting idea. Among the prospecting ideas presented was securing a "share the ride" list of those working in defense industries. Another agent watches the new housing construction in defense areas. As the new families move in, he presents himself as their "insurance man."

Pacific Mutual General Agents Group Meets

The Pacific Mutual Agency Association executive committee held a meeting in Chicago to discuss field problems and lay plans for regional agents meetings to be held following the inter-agency sales contest which will be conducted in October and November.

Joseph M. Gantz, general agent at Cincinnati, presided as president. Other officers attending were E. Walter Albachten, Detroit general agent, chairman executive committee; Raymond F. Dufor, general agent at Washington, D. C., vice-president; E. A. Ellis, general agent at Los Angeles, secretary-treasurer; H. Kenneth Cassidy, San Francisco general agent and chairman of the regional meetings; Jule B. Baumann, general agent, Houston, and newly elected trustee National Association of Life Underwriters; Hazen E. Exeter, general agent Salt Lake City; John L. Watts, general agent Chicago; Rex N. Rafferty, general agent St. Louis.

A number of other general agents in-

DEFENSE vs OFFENSE

In our constant war against Poverty and Destitution in America, the only successful Defense is a Planned Attack.

ROCKFORD LIFEMEN

have definite Plans to Attack and Defeat these "enemies from within". Attractive Agency Openings in Michigan, Indiana, Illinois, Iowa and Minnesota.

ROCKFORD LIFE INSURANCE COMPANY

327 E. State Street

Francis L. Brown, President

Rockford, Illinois

SAY IT WITH FACTS! "BUILD YOURSELF— BUILD YOUR BUSINESS"

Five representatives appointed to our General Agency Staff within the past few years joined The Old Line Life's ranks as "buck privates." Average age of these General Agents is 33 . . . average length of service, 4 years.

These facts demonstrate the possibilities of success when your contract is geared to a practical training course in fundamentals, an advanced course on selling, coupled with an Agency-Minded management.

If you are ambitious to build yourself and build your business, The Old Line Life offers unlimited opportunity.

Write today regarding available territory in Illinois, Iowa, Michigan, Minnesota, Ohio and Wisconsin.



Life • Accident • Health • Hospital

successor must be selected to succeed Secretary Leo R. Porter, Lincoln National, who was recently named assistant state administrator of the war bond and stamp campaign. Miss Irma Frizell, Lincoln National, the paid secretary is handling the work. Membership is now 105, a decline of 11. Plans are already under way to launch a new membership campaign.

Des Moines—The fall series of meetings will start at a dinner at the Des Moines Golf & Country Club, Sept. 11. All agents are invited to attend. William Watson, John Hancock, the new president, will preside. Tom Collins of Kansas City, famous humorist, will talk.

Dallas—A kick-off meeting Aug. 31 will be addressed by Ward Phelps, consultant Sales Research Bureau. He will talk on "Once to Every Man." J. L. Burke is program chairman. R. M. Bandy, Great National, arrangements chairman, and C. A. Fair, Travelers, attendance chairman. Directors will meet previous to the luncheon-meeting.

The series of "know-how" sales forums was continued Wednesday with addresses by F. V. Gish, Volunteer State Life; J. H. Ardrey, Indianapolis Life, and V. D. Singleton, United Fidelity Life. They told what they were doing to get business.

San Francisco and Oakland, Cal.—Efforts are being made to contact policyholders, explaining and seeking cooperation on the new revenue bill which is before the U. S. Senate finance committee.

Chicago—The first meeting of the season will be Sept. 29 when Dr. Preston Bradley, pastor of the Peoples Church, will be the speaker. G. T. Vermillion, Mutual Life, is chairman of the program committee.

Jackson, Miss.—The association was host to about 300 at the August meeting, at which the principal speaker was R. G. LeTourneau, an outstanding industrialist and mechanical genius.

Atlanta, Ga.—The annual outing was held at the Druid Hills Golf Club.

Knoxville, Tenn.—New officers elected are: K. T. McCrary, Life & Casualty, president; C. B. Lynch, Pilot Life, vice-president; Frank Dedman, New England Mutual, secretary-treasurer. Directors are: C. C. Hunnicutt, National Life & Accident; Joe B. Long, Provident Mutual; W. L. Ambrose, Equitable Society; J. W. Pigford, Metropolitan; John Thornton, Phoenix Mutual; R. W. Campbell, New York Life.

Ralph Talley, Penn Mutual, is the national committeeman of the Knoxville association, and Harry Watson, Connecticut Mutual, is the state committeeman.

Effect of War on Reinstatements

(CONTINUED FROM PAGE 1)

policy, is obligated to restore the contract as originally written, no modification thereof may be made and no new conditions precedent to reinstatement may be imposed.

However, if the company is justified in refusing reinstatement in the first instance, then it may reinstate upon such terms and conditions, including the insertion of a war clause, as may be agreed upon by it and insured.

In determining whether or not evidence of insurability is "satisfactory to the company" the company must act reasonably and in good faith and cannot refuse reinstatement arbitrarily, capriciously, or fraudulently, he said.

Under the later and better reasoned

C. L. U. Millard Orr New C.L.U. Head in Philadelphia

The Philadelphia C.L.U. chapter has elected new officers: President is Millard R. Orr, Massachusetts Mutual; vice-president, Alice E. Roche, Provi-



MILLARD R. ORR

dent Mutual; secretary, Cleo C. West, Prudential; treasurer, W. Cheston Stokes, Jr., State Mutual; historian, S. B. Campion Wood, Travelers.

Directors are: H. Sheridan Baketel, Jr., Union Central; Aaron C. F. Finkbinder, Northwestern Mutual; Jordan Gauthier, Reliance Life; Frank J. Campell, Jr., Prudential; Runcie L. Tatnall, Penn Mutual.

Williams in St. Paul

ST. PAUL—John P. Williams, educational director American College of Life Underwriters, was guest at a luncheon of the St. Paul C.L.U. chapter. The St. Paul chapter will sponsor a program early in November for St. Paul Life Underwriters Associations with Walter N. Hiller, Penn Mutual, Chicago, speaking on stock retirement plans.

cases the word "insurability" comprehends more than the condition of the insured's health and embraces all factors reasonably calculated to affect the risk or hazard assumed.

As to whether or not the fact that an applicant for reinstatement has changed his occupation from a peacetime calling to service in the military or naval forces, or is liable to make such change, may be considered in determining his insurability, is a question which the courts have yet to determine. If and when the question is properly presented to the courts, he said, it would certainly seem that, in logic and reason, they should hold that the war hazard affects insurability.

It is consensus of informed civil and military opinion that the present struggle will be long and sanguinary, and

that it may be safely assumed that the great majority of persons with lapsed policies entering the service will desire to reinstate them. So if "good health" is the only thing to determine "insurability" there is certain to be widespread adverse selection against the companies and their other policyholders. Increased mortality among such reinstated policyholders due to the war hazard was not anticipated when the policy was originally issued in times of peace.

DISABILITY BENEFITS

Where a company stipulates the circumstances under which it shall be liable for disability and double indemnity benefits, and by appropriate language earmarks the military or naval hazard in time of war as a risk not assumed but excepted, the company, it seems, may continue to accept the disability and double indemnity premiums during the time the insured is in such service, without undue exposure to liability for such benefits, even though during such period the insured is without protection, Mr. Burcham said.

Such an exclusion is not one for forfeiture, but one for exemption from liability, he said. He also pointed out that the insured, realizing that he cannot collect under these benefits while in service during war, may wish to continue to pay extra premiums so that the benefits will be automatically restored to the policy without evidence of insurability upon discharge. The mere acceptance by the company of the premiums for such benefits, even with its knowledge of the fact that the insured is in the armed forces, should not constitute a waiver of the exclusion, Mr. Burcham contended.

If the hazard of military or naval service in disability or double indemnity provisions is made an excluded risk, which appears to be the case in a majority of outstanding policies, the company may continue to receive premiums for such benefits, with or without knowledge that the insured is in the armed forces, without undue exposure to liability for such benefits during such period.

Danger in Accepting Premiums

With acceptance of premiums for disability or double indemnity benefits which provide for termination or suspension while the insured is in the armed forces, Mr. Burcham pointed out, there is a danger that if premiums for such benefits are accepted after the suspension is supposed to run, the act of accepting such premiums may be construed as a waiver by the company of such exclusion provisions.

In preparing the paper, Mr. Burcham and Mr. McHaney analyzed war restrictions in the disability and double indemnity provisions of policies issued by 36 leading companies. Waiver of premium disability supplements of 21 of the companies contained exclusion provisions such as: "Risk not assumed—the company will pay no disability benefits and waived no premiums * * * if disability shall result from military or naval service in time of war." The double indemnity provision of 29 of the companies also contained an exclusion against the payment of this benefit if death should result directly or indirectly, wholly or partly, from military or naval service in time of war. Eight companies provide for termination of the disability provision upon insured's entering military or naval service in time of war, with a premium refund provision, and two companies provided for such termination of disability benefit under the same circumstances but without any specific provision for refund of the extra premium for that benefit. Four companies provide for such termination of the double indemnity benefit with a refund of the extra premium, and one company for its termination but without mention of premium refund.

The disability clauses of five of the

companies are suspension clauses with premium refund during the suspension period, and two companies require suspension of the double indemnity clause with a refund of premium.

It is apparent, Mr. Burcham said, that a substantial majority exclude or exempt the military and naval hazards from such benefits without premium refund. A smaller number of companies require the termination of such provisions in the event of military or naval service, for the most part with premium refund, while only a relative few require suspension of the benefits while insured is in armed forces, with in most instances a provision for premium refund.

The majority of companies apparently have definitely attempted to treat the war hazard as a disability and double indemnity risk not assumed. They elected to make the risk an exception to coverage and on a parity with other exceptions such as self inflicted injury, travel or flight in aircraft, violation of the law, etc., with no provision for premium refund.

New President of State Mutual Life Takes Office

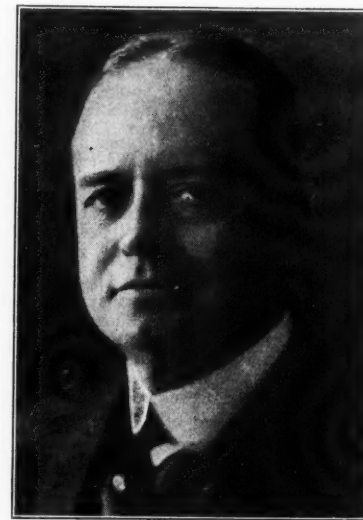
(CONTINUED FROM PAGE 1)

whose welfare they take a very genuine interest.

"We are dedicated to a common task—we are associated with a great institution. The stability, the integrity and the importance of the State Mutual Life are established. We have inherited a great tradition."

Mr. White paid tribute to Mr. Bullock's leadership during the past 15 years.

Mr. Bullock's retirement coincides with his 70th birthday. It was during



CHANDLER BULLOCK

his term as president that the company retirement rules were set up. Mr. Bullock has been with State Mutual 40 years. He started as a solicitor and as a director, becoming counsel in 1905 and general counsel in 1907. In 1921, Mr. Bullock was made vice-president and general counsel, succeeding to the presidency six years later.

Long Active in Life Insurance

The son of State Mutual's fifth president and a grandson of its third, Mr. Bullock has long been active in life insurance affairs. He was chairman of the annual convention of the Life Presidents Association in 1928.

Mr. White has been president of the Worcester County Trust Co since 1935. Mr. White attended Williams College until 1917, when he went into the navy, later being commissioned an ensign. After the war he returned to Williams. Mr. White graduated from Harvard Law School in 1922, and was in active law practice until 1935 when he became president of the bank.

Security Life and Accident Company

Home Office

DENVER, COLORADO

"An Old Line Legal Reserve Life Insurance Co."

Also Features

**NON-CANCELLABLE GUARANTEED RENEWABLE
ACCIDENT AND HEALTH CONTRACTS**

ATTRACTIVE AGENCY OPPORTUNITIES

W. LEE BALDWIN

President

LEGAL RESERVE FRATERNALS

North Star Retitled; Program of Field Officers Continue

The title of North Star Benefit of Moline, Ill., was changed to North Star Life Insurance Society at the convention held at the head office. A war clause was adopted and the officers reelected. Frank L. Swanstrom of Rockford, Ill. continues as president; the Rev. Knute Erickson, Rock Island, Ill., as vice-president. O. R. Christofferson, Moline, had his title changed from chief recorder-treasurer to secretary-treasurer. Dr. Paul R. Linden, Moline, remains medical director.

B. H. Wood and Cyrus Churchill were elected executive directors and A. B. Ackerson, Princeton; Vaughn V. Moore, who is in charge of field work, and Emil Berglund, Minneapolis, were named directors.

B. O. Johnson, vice-president Swedish-American bank, Rockford, was appointed auditing committee chairman.

Full Coverage in U. S.

The war clause adopted gives full coverage even for death in military or naval service while serving the United States government within the continental limits of the United States. All new issues will contain this clause, for which an extra premium of \$3.50 per thousand will be charged. All the society's certificates contain a war clause.

President Swanstrom presided and extended greetings. Mr. Christofferson introduced officers. Delegates inspected the home office. There was a banquet the first night at which Dr. Conrad Bergendoff, president of Augustana college, spoke, declaring after the war is ended the United States must take the lead in developing a keener social consciousness and deeper sympathy with peoples of other countries.

Foster F. Farrell, manager National Fraternal Congress, and E. L. Barnes, supervisor fraternal division Illinois insurance department, gave talks.

The second afternoon there was a luncheon and a trip to the watch tower in Blackhawk state park Rock Island.

President Swanstrom Reports

President Swanstrom in his annual report noted the society has gained \$44,964 in assets since 1938 and has set aside \$201,398 as contingency reserve for payment of old age benefits. Surplus is \$157,295, and solvency ratio 114.3 percent.

North Star Benefit has paid total benefits since it was organized in 1899 of \$2,283,065. The board in the last year acted upon 1,286 old age benefit claims aggregating \$129,624 and paid 299 death claims totaling \$221,746.

Secretary-treasurer Christofferson presented the financial statement.

Officers Must Repay Funds

BOSTON—Three officers and an employee of New England Order of Protection must pay about \$2,100 into the mortuary fund, the fullbench of the Massachusetts supreme judicial court held in a ruling that mortuary funds may not be used to pay salaries or expenses of officers.

Mrs. Margaret M. Konchina, Royal Neighbors, has been awarded the Fraternal Insurance Counsellor's degree by the Fraternal Field Managers Ass'n.

Program of Field Managers Given

A. J. McAndless, president of the American Life Convention and of Lincoln National Life, is scheduled to address the annual meeting of the Fraternal Field Managers Association Sept. 28 in the Morrison hotel, Chicago. Thomas R. Heaney, president of National Fraternal Congress and high secretary of Catholic Order of Foresters, will extend greetings from the N. F. C.

This association is independently organized but is affiliated with the N. F. C. John E. Little, field director and actuary of Maccabees, is president; C. D. De Barry, general sales director of C. O. F., is vice-president and John C. Phillips, general organizer of Modern Woodmen, is secretary-treasurer. The Chicago session will be open to all persons interested in fraternal field work. The complete program is:

Morning Session—10 a. m.

Singing and pledge of allegiance to the flag.

Greetings from National Fraternal Congress, Thomas R. Heaney, N. F. C. president.

Welcome, Norton J. Williams, vice-president N. F. C. and president Equitable Reserve.

"Your Fraternal Field Managers' Association," President John E. Little.

"Field Work in a Woman's Society," Mrs. Ethel M. Hayford, Michigan Field director Woman's Benefit.

Afternoon Session—2 p. m.

Address, A. J. McAndless, A. L. C. president.

"Answering Objections Under War Time Conditions," Frank B. Mallett, field manager Protected Home Circle.

"Today's Opportunities of the Fraternal Field Worker," Bradley C. Marks, grand master workman A. O. U. W. of North Dakota.

Adjournment.

Business Session and election.

Meeting of executive committee.

Speaks to Manitowoc Kiwanis

James D. Reeder, actuary for the Aid Association for Lutherans in Appleton, Wis., recently gave a talk before the Kiwanis club of Manitowoc, Wis., in which he stressed that life company investments are a strong factor in steadying the economic structure of this country.

Group Weighs War Issues

(CONTINUED FROM PAGE 1)

not be feasible, because of the difference in established tax practices. However, the committee got in touch with Commissioner Williams of Mississippi, president National Association of Insurance Commissioners, and now is cooperating with Commissioner Fraizer of Nebraska, chairman of the commissioners' committee on this subject.

To Annotate War Risk Covers

The insurance section adopted a resolution directing the Chairman to appoint a committee to compile and annotate the present war insurance coverages and such decisions and interpretations as are available. G. E. Beechwood, Philadel-

phia, chairman marine insurance law committee, made the proposal. While marine insurance will probably be first in the committee's mind, the motion extends to all lines and the committee may take in a broader field.

Insurance Commissioner Berry of Michigan and Mayor Jeffries of Detroit welcomed the insurance section. Mayor Jeffries was very much at home among insurance attorneys, having been general counsel for Maccabees. Mr. Berry pointed out that eight Canadian life insurance companies have entered the United States through Michigan.

Evening of Conviviality

More than 300 attended the banquet and dance. Following the established custom there were no speeches and no speakers table, a floor show providing a popular substitute.

Ten Michigan companies were hosts at a cocktail party preceding the dinner. They were: Standard Accident, Michigan Life, Wolverine, Auto Owners, Michigan Mutual Liability, Preferred Auto, Michigan Millers Mutual, Citizens Mutual Auto, Detroit Auto Club Inter-Insurance Exchange and Michigan Hospital Service.

George Cooper, Michigan Mutual Liability, was in charge of the dinner and Howell Van Auben, Detroit, was general chairman of convention arrangements.

There was little talk of the location of the next meeting, most people doubting that the American Bar Association will meet in 1943.

The health and accident committee has completed its annotation of clauses in the standard policies and mimeographed copies were distributed to those attending the A. & H. round table. They will also be sent by mail to members of the section.

R. Leighton Foster Attends

R. Leighton Foster, Toronto, general counsel Canadian Life Insurance Officers Association, formerly Ontario insurance superintendent, was an interested visitor and contributed remarks at several sessions. Mr. Foster had attended the American Bar Association meeting at Los Angeles a few years ago and was instrumental in organizing an insurance section in the Canadian Bar Association.

Despite the general falling off in attendance, caused largely by the American Bar Association making no effort to encourage members to attend the convention, the hall was comfortably filled during both the general sessions of the insurance section. The group round tables varied considerably, the Automobile session Tuesday morning drawing the largest turnout, with the casualty discussion Tuesday afternoon a close second.

T. H. Johnson, assistant secretary, and John McCook, field supervisor, both of the group department of the Aetna Life, are in Los Angeles conferring with the Wilmer M. Hammond general agency.

PERTINENT FACTS— SUPREME FOREST WOODMEN CIRCLE

Gross Assets \$ 35,970,114.50
Protection in Force 104,427,445.00
Total Membership 131,789
Organized into 2,624 Groves in 44 states
Benefits paid in 1941 to members and beneficiaries \$1,899,047.27
Dora Alexander Talley, National President
Mamie E. Long, National Secretary
Home Office, Omaha, Nebraska

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society
Bina West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

Reports On Life Sales Distribution

(CONTINUED FROM PAGE 3)

and women engaged in some type of manufacturing. By type of job the buyers classify themselves as follows:

	Percent of Buyers	Percent of Volume
Skilled and unskilled labor (nonagricultural)...	38	29
Clerical office workers...	14	9
Students and housewives...	14	8
Semiexecutive and semi-professional	10	14
Executives and proprietors	8	20
Salesmen and sales clerks	7	7
Farmers and farm hands	5	5
Professionals	3	7
Armed forces	1	1
	100	100

The white collar group taken together accounts for 42 percent of the sales and 57 percent of the volume.

Incomes of Industrial Buyers

With the current interest concerning industrial workers as a market, the income level of the manufacturing and mine employees, and skilled labor (representing 30 percent of the buyers) is significant: 25 percent have incomes of less than \$1,500; 67 percent have incomes from \$1,500 to \$3,000; 8 percent have incomes of \$3,000 and over. This compares favorably with the clerical office worker market where 58 percent of the buyers have incomes under \$1,500. At the other end of the scale 67 percent of the executive buyers and 63 percent of the professional buyers have incomes of \$3,000 or more.

The weekly premium agent sells 71 percent by volume to persons with incomes under \$2,500 as compared to 40 percent for the ordinary agent. Similarly the ordinary agent sells 33 percent of his volume to those with \$5,000 or higher incomes compared with 6 percent for the weekly premium agent. Considering industrial workers only, 80

NO INSURANCE ORGANIZATION

... in the United States bases its reserves on a higher standard, or has more dollars of admitted assets on hand, per dollar of liability, than the ..

WOODMEN OF THE WORLD

Life Insurance Society
Home Offices — Omaha, Nebr.

WE WRITE LEGAL RESERVE LIFE INSURANCE FOR MEN, WOMEN, AND CHILDREN

A Policy to Fit the Need—
A Rate to Fit the Purse

INQUIRIES FROM PROSPECTIVE AGENTS INVITED
STANDARD LIFE ASSOCIATION

HOME OFFICE FOUNDED IN 1890 LAWRENCE, KANSAS

percent of the volume sold by weekly premium agents is to those with incomes under \$2,500. Ordinary agents sell 68 percent to that group.

Analyzes the Business Sold

In general the higher the income the more the buyer concentrates on the low premium forms. This is true for sales by both ordinary and weekly premium agents. Conversely, endowment and limited payment policies increase with lower incomes. The one exception to this generalization is retirement income, which may indicate sales to the higher income groups as part of a planned program. For persons with incomes below \$1,000, limited payment and endowment plans account for 75 percent of the sales.

Very close to half the sales were for an even \$1,000. Ordinary agents made 39 percent of their sales for this amount and weekly premium agents 57 percent. The 25 percent of the policies which were for \$3,000 or more represent nearly two thirds of the volume.

"The 1942 Buyer" concludes with a thoroughgoing analysis of the juvenile buyer, including the characteristics of the premium payor, who is usually a parent. Juvenile sales (age 0-14) constituted 15 percent of all sales and 7 percent of the volume. Together with women these two markets accounted for 37 percent of all sales and 18 percent of the volume. No longer can the insurance industry consider men as constituting the bulk of the market—not with well over a third of current sales being made to women and children.

Boomerang Problems Into Successful Action

(CONTINUED FROM PAGE 3)

working at the highest wages they have ever earned. Thousands more who were unemployed, or partially so, for years are commanding incomes above the average of department heads in non-defense businesses. New railroad employees, shipyard and airplane workers, government construction workers, and many others who would have been glad to get a job a year ago paying \$150 a month, today are making that much in 10 days.

One of our agents has given me a particularly apt definition of a defense-worker-prospect:

"Anybody employed directly or indirectly in a defense industry who is making more money than he or she made before or would be making if it were not for the war."

The wise agent is the one who seeks out these persons who are making more money because of the war. This is an individual community proposition. No blanket rules can be laid down.

Working in Defense Industries

(3) We know that in most defense plants you cannot solicit men on the job. Thus it is important for the agent who wants to solve problem No. 3 to find new ways and times of making his contacts. Many successful men are using the telephone more now than ever before. Others are making their contacts at the defense plants during the luncheon period. Still others are arranging for appointments through the housewives. Development of "compact centers of influence" are proving highly profitable, with the foreman or other leader of a particular group as the first prospect and client. I know of several agents and agencies the major portion of whose clientele has been established since last December.

We, and practically all companies, have many men, in fact whole agencies, who are doing better than in the same period for many years. They have clearly analyzed their field and have gone into action immediately. To keep from "bogging down" or to get out of the "bog" requires thinking, a clear analysis of the situation today and what is ahead, and then action on a definite plan in a positive manner. Positive thinking and action lead to success.

INSURANCE MEN CALLED TO SERVICE

Charles C. Robinson, editor of the "Insurance Salesman" of Indianapolis, has been commissioned as a captain in the army air force. He leaves Monday for Miami for a six weeks course and then is scheduled to report at the air force tactical school in Washington.

Clarence Boettcher, agent of Connecticut General in the Chicago office, is in the army. He is located at San Juan, Puerto Rico. Mr. Boettcher has been in the insurance business for about 15 years, the last six with Connecticut General. Before joining Connecticut he was with Travelers in Milwaukee.

C. T. Kingston, assistant manager and a leading producer for the Chicago branch of Connecticut General, is now a second lieutenant in the army air force at the intelligence school at Miami Beach, Fla. Mr. Kingston has been with Connecticut General for about 10 years, first in the claims department and later in the Chicago office. He is a graduate of Trinity College, where he was an all-state quarterback on the football team and coxswain of the crew.

Robert L. Mayer, special agent of Northwestern Mutual in Cincinnati for 12 years, has been commissioned a captain in the army air corps.

Edgar L. Walker, Lamar Life agent in Louisiana-Mississippi during the summer, when not coaching at Princeton University, has been commissioned a first lieutenant in the army air corps and ordered to Miami Beach, Fla. Coach Walker was writing life insurance in Louisiana when notified of his commission and ordered to active duty. He played in two Rose Bowl games as a member of the Leland Stanford football team. He has coached at Iowa, Stanford, Columbia, Princeton and the University of Mississippi.

Robert E. Meyers of the Charles Butler agency of Fidelity Mutual in Chicago is an ensign in the naval air corps training school at the University of Iowa.

Robert F. Benjamin, group superintendent of Occidental Life of California, has been commissioned a first lieutenant in the marine corps reserve.

Gilbert W. Embury, assistant supervisor in the actuarial department of Northwestern Mutual Life until October, 1940, when the Wisconsin national guard was mustered into federal service, was mentioned in dispatches as one of the U. S. army officers who took part in planning and executing the Commando raids in Dieppe, France. Capt. Embury was in command of a military police unit which made up the first group of American soldiers to arrive in London. He has been serving as adjutant to Brig. Gen. L. K. Truscott at the combined operating headquarters in London.

Lloyd Hammerbeck, Connecticut General Life, president of Akron, O. Life Underwriters Insurance Association, has joined the newly organized army engineers amphibian command, with the classification of specialist and the rank of boatswain. He is now at Fort Hayes, Columbus, O., awaiting assignment. Mr. Hammerbeck served with the merchant marine during the first war.

Walter J. Leonard, Manhattan, Kan., manager General American Life, and new president of the Kansas Life Underwriters Association, has gone into the army at Ft. Leavenworth. Vice-president John S. Kerns, Pittsburgh, met Mr. Leonard in Kansas City to discuss future plans of the Kansas association and has promised an announcement soon.

Rex Wyon, a personal producer in the R. G. Engelsman agency of Penn Mutual, New York, has been commissioned a first lieutenant in the army "Rangers" group and will be stationed at Camp Edwards, Mass.

Leslie Fortune, supervisor and a leading producer in the F. W. Holland

agency of Massachusetts Mutual Life in Memphis, has left for training in Boston for the navy. He received the rank of lieutenant.

Lyman C. Baldwin, superintendent of agencies of Security Life & Accident, who enlisted in the army early in May, has been designated for officers' training school, and is scheduled to report at Oglethorpe, Ga., Aug. 29, to begin his training. Mr. Baldwin has completed his basic training in the military police training battalion at Fort Riley, Kan.

Francis D. Brosnan, assistant agency manager of the Indianapolis Life, has received a commission as lieutenant senior grade in the navy and is to report immediately to the Great Lakes naval training station. He was a second lieutenant of infantry in the first war. He has been with Indianapolis Life 17 years and has been in charge of downtown agencies in Indianapolis.

Francis P. Sears, Jr., son of President Sears of the Columbian National Life, has graduated from the officers candidate school at Fort Sill, Okla., and has been commissioned a second lieutenant in the field artillery. Mr. Sears is a Harvard man and enlisted in 1940. He is now at home in Boston on a furlough.

Captain Alfred Montsalvatge, former district agent for Mutual Life of New York at Augusta, Ga., has been promoted to a major in the army.

Harry V. Montgomery, assistant general agent of Aetna Life in San Francisco, has left for Miami, where he will undergo six weeks' training with the army air forces after which he will be at the air base at Santa Anna, Cal. Mr. Montgomery will enter the armed forces with the rank of captain, the same as that with which he served during World War I.

Mr. Montgomery went to San Francisco several years ago as manager of the General American Life, later being general agent for State Mutual Life. He joined Aetna Life as assistant general agent early this year. During his absence, his duties will be carried on by J. M. Mitchell, also an assistant general agent.

Three group service department representatives of General American Life have been promoted in the armed forces. K. B. Bernhardt was promoted to ensign in the navy and assigned to personnel work at a naval station in Hawaii. W. R. Alderson becomes corporal in the army on the eastern seaboard. Ensign A. W. Evans now is an assistant battalion commander at the naval reserve midshipman school at Northwestern University, Chicago, with executive duties.

Lieut. Dinwiddie Lampton, Jr., former vice-president American Life & Accident, has been transferred from Ft. Knox, Ky., to Ft. Washington, Md., where he enters the adjutant general's school for an eight-week course in classification.

Col. George M. Chescheir, Louisville, general agent New England Mutual Life prior to entering active army service nearly two years ago, is attending the field officers course at Ft. Sill, Okla. Now a member of the 38th "Cyclone" division artillery staff, Colonel Chescheir was formerly commanding officer of the 138th field artillery which was broken up and redistributed.

George LaFray, who has been in charge of midwestern agencies at the home office of Northern Life of Seattle,

Metropolitan Now Has 1,821 Men in Service

Metropolitan Life in a simple ceremony changed its service flag this month, showing that 1,821 of its employees have entered the armed services of the United States and Canada as of Aug. 10. Chairman Frederick H. Ecker, participated in the ceremony with some of the inductees who have received notice to report for service by their draft boards. William Lynch, a former Metropolitan employee, now in the service and a member of the cast of "This Is The Army" assisted Mr. Ecker. The service flag hangs in the arcade of the Metropolitan home office. In addition to the figures of the number in service, the flag also carries gold stars, symbolizing the five Metropolitan men who have died while in war service.

Of the total 983 are from the home office in New York, 63 from the head office in San Francisco, and 601 from the field force in the United States. In Canada a total of 174 were in service, 77 from the head office in Ottawa, and 97 from the Canadian field force.

An average of approximately 200 Metropolitan employees are being called each month for war service and the numbers on the service flag are changed weekly.

has been commissioned a major in the army and is stationed at Seattle. The midwestern work will now be handled by George Overton.

Walter H. Huehl, actuary Indianapolis Life, now is in the army as a captain, stationed in Ireland. He is doing actuarial work and making various types of studies for the army. Captain Huehl was granted leave of absence and for duration his duties have been absorbed by the rest of the actuarial staff.

Jerome Siegel, assistant Brooklyn manager Prudential and former president of the Brooklyn and the New York City Life Supervisors Associations, is leaving to join the army. He was given a luncheon by friends and associates this week.

D. K. Elliott and Monte Harrington, agents in the Hays & Bradstreet general agency of New England Mutual Life in Los Angeles, have been commissioned lieutenants in the navy and have left for Quonset Point, R. I.

Paul F. Trieb, C. O. Falkenhainer agency of Bankers Life of Iowa, New York, has entered the army and is a member of Company C, 39th Infantry Training Battalion, Camp Croft, S. C.

A number of the members of the T. M. Riehle agency of the Equitable Society, New York, have entered the armed forces as follows: G. M. Lavay and J. B. Ward, army aviation; N. P. Butler, naval aviation; R. A. Spier, navy, and R. E. White and D. M. Rosenbaum, army.

Franklin Life Golf Tournament

Started in 1918, the 24-year-old golf tournament of home office men of Franklin Life is again being played. The tournament offers a cup which can be won only by leadership in three years. The three cups which have been awarded have all gone to Vice-president Henry Abels.

PROPERTY MANAGEMENT

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Sales Ideas and Suggestions

Use of Telephone for Sales Work Saves Much Time

When a life agent's time is worth at least \$3 or \$4 per personal call, it does not pay him to skimp on the use of the telephone which can conserve much of his valuable time. Perhaps many agents sharply limit the use of the telephone because in most agencies they are billed for it at so much per call, usually about 4 cents.

A telephone is not merely a means of saving time to be used in more profitable personal interviews, but it is a positive selling medium whose great possibilities have been fully realized by stock and bond houses and many other types of businesses. The outstanding life agents of the country also long have recognized the great usefulness of the telephone in selling, and many of them have developed a telephone technique which permits them to do much of the preliminary work quickly in their offices and so pave the way that when they finally go to see a man for the first time they are ready to close him.

Wright's Method Successful

Thus Harry T. Wright, associate manager of the Woody agency of Equitable Society at Chicago, past president of the National Association of Life Underwriters and Life member of the Million Dollar Round Table, who has produced at least \$1,000,000 paid business annually for about 20 years, regularly calls up strangers to whom he has introductions from clients, friends, or other centers of influence and with little trouble generally makes arrangements on the first or second telephone call for the man to have a medical examination. He successfully makes this request as a prerequisite to an interview in which he and the man can get down to cases. He points out they would be wasting time to talk about contracts if the man because of medical deficiency could not get them.

The telephone is mightily useful as a time saver in contacting persons a considerable distance away when much of the agent's time otherwise would be taken in traveling to see the other man with a possibility he would be out and an entire morning might be wasted. Ordinarily authorities agree it is not advisable to give a man warning in advance that the agent is going to call. This should be done only when some basis of understanding has been reached and the agent knows the prospect is interested, when a time and place for an interview can be discussed.

How to Reach a "Suspect"

However if the prospect is, say, only as yet a "suspect," the agent may call his office and inform the secretary or clerk who answers the telephone that he had planned to see Mr. Jones about business and never having met him preferred to speak to him in person rather than over the telephone; that he was just calling to make sure he would not miss him. The agent thus can make virtually an appointment with the secretary for a definite time in morning or afternoon

and in this way practically guarantee that his time will not be lost when he makes the call.

After this first interview, when as a rule only information about the man has been secured, the agent again can save time by calling on the telephone and asking the prospect to grant a definite time for a brief interview. The agent by telephone usually can pin the man down to an appointment either today, tomorrow or the next day. If the appointment is more than three days ahead it is felt to be safer to call again before going out, in order to make sure the matter has not slipped the prospect's mind and he will be in. In such a case the agent has saved a great deal of time and moreover has saved himself the irritation of making a worthless call which is bound to have effect on his mental attitude if it is too often repeated.

Telephone for Pre-approach

Where the agent uses direct mail matter for pre-approach it is considered advisable by many authorities not to trust entirely to his preliminary warming up by letter but to give the man a ring, remind him of having sent a letter and offer a valuable idea without mentioning it too clearly. Again the appointment for a definite time and place can be made by telephone.

Of course personal friends are particularly susceptible to the telephone technique. In such a case the agent can call nominally to renew the friendship and then ask the friend to forget that he is in the life insurance business, saying that he has a valuable idea about life insurance that may mean a lot of money to the man and his family and he would like to talk it over. An appointment can be secured a large proportion of the time with such an approach to a friend.

In the interview with the friend after the appointment has been made by telephone it pays to get down to cases immediately and not trade upon the friendship. The agent, as with other prospects, can develop the friend's needs that are unfulfilled, get him to face the facts and then give him the ideas which will cause him to act.

USEFUL TOOL

The telephone is perhaps the agent's most useful and effective tool. Generally it is much easier to reach a man by telephone than it is in person. If the agent merely asks to talk to Mr. Blank, even in business offices where Mr. Blank is protected by a phalanx of secretaries and human watch dogs, it is quite general for the call to be put through without question. This depends very largely upon the tone of voice used, briskness of delivery of the message and perhaps a slight peremptory edge in the voice.

Switchboard operators and secretaries are only human and if the agent by his manner of address shows complete confidence and the assumption that he is entitled to talk to the man, he has won most of the battle. Switchboard operators and secretaries even if they stopped to think would hesitate to offend for fear the agent was a personal friend of their employer.

The telephone probably is especially helpful to newer agents who still have a fear complex, because they usually can talk naturally and be themselves when they are not in the actual presence of the prospect. Thus by using the telephone under some system of calling up on a

qualified list, they build up confidence in their ability to make the presentation. They also learn to say what they have to say briefly and to the point because they can hold the attention of the man just so long on the telephone and he can end the interview instantaneously merely by hanging up the receiver. This is a challenge to the inventiveness and adaptability of the agent to meet circumstances as they arise.

It is considered wise to use an extremely low pressure approach on the telephone. The agent should talk in a friendly manner, very slowly and clearly. There should be no confusion or background of noise at this end of the conversation.

NIGHT CANVASSING

Some agents use the telephone with extreme effectiveness at night. It is especially useful in reaching men who are difficult to contact personally or by telephone during the daytime and again can be used as a means of securing an appointment at the home. Probably the people in smaller towns and rural areas can use the telephone more effectively for this purpose as they are accustomed to carrying on much of their intercourse and negotiations over the telephone because of the distances involved. Then, too, people in rural areas have little time during the work day to transact business and their home is their business office. People in the city shy away from bothering others much at night. Many do not like to have people drop in unannounced. It is a psychological slant of the big city life. When 5 o'clock comes the people of the metropolis scatter. They want to have diversions and not be bothered much by acquaintances and friends. However, agents will find that telephone calls to the home are usually well received and especially if they employ a reference from a center of influence they will have opportunity for an interview in the home when the wife can be present and there will be a better chance of making a sale.

Qualifying Direct-mail Non-repliers

Possibly a very infrequent use of the telephone is to qualify the persons who do not reply to a direct mail program offering a pamphlet, notebook or what-not for those who reply. Many companies have such mailings, and their agents generally follow up the repliers assiduously because they seem to have typed themselves as generally more interested in life insurance than the non-repliers. Experts know this is not the fact, however. Experience in following up non-repliers shows they are quite as good prospects as those who reply, perhaps on the whole a little better. Many of those who reply are merely curious. Some may be the kind that wants something for nothing.

Unless the company and the general agent or manager continually hammers at it, the agents will not follow-up the non-replies on these lists. One reason generally is that the non-replies are in the great majority and a large number of personal calls by the agent is demanded which seems rather out of proportion to the profits that could be derived. Probably many more agents would follow up these non-repliers if they would use the telephone, for in a half hour they can run down a list and by the responses determine those whom it would pay to follow up further.

Three Classifications Are Noted

Non-repliers are found to fall generally in three classifications. They either are really interested in knowing more about the plan set forth in the direct mail letter although they are the type which does not like to respond by reply card,

Doctors Are Good Prospects for High Premium Policies

An agent who has been increasing his production this year said the other day that he is finding plenty of good life insurance prospects.

One of the best sources of business, he said, is the doctor over 45, who is not subject to call by the armed services. Such doctors will make money in the next three to six years, more than they have made in a decade, and perhaps more than they have ever made before. They are good prospects for high premium insurance that will permit cash values to apply on paid up insurance. Thus if hard times come the doctor can remove the pressure by taking paid up insurance or by taking the cash values.

It is necessary to get to prospects who are benefiting from the war. That is obvious, he said. But there are a great many who fall in this category, contractors, key men in war plants, etc. They will buy high cost insurance. He is selling to them mostly 10 pay life, short term endowments, etc.

High premium insurance can be placed nowadays if it can be converted to a comparatively large amount of paid up insurance, and if the percentage of premiums represented in cash values is large.

or they are mildly interested but would not do anything about the proposal or send the card, instead waiting until the salesman shows up, or else finally they are truly not interested.

In following up non-repliers it usually pays in talking to a person of the first type to try immediately to make a definite appointment. It is found men are a little freer to express their true opinions over the telephone than in person because they know they can hang up any time. The man of the second type may not be willing to set a definite date or place for an appointment but the agent then can get some salvage from these cases by mentioning that he will drop in sometime when he is in the neighborhood. Frequently the man perfunctorily will agree with this, and then the agent has a reasonable basis for actually going to see the man. The men in the third class in the main are not good prospects but some of them may be put far ahead in the suspense file, after they have been sufficiently qualified.

Patriotic Practice Now

The telephone must take a vital part in life insurance selling in the years immediately ahead because of the national campaign to save gasoline and rubber. Agents cannot use their cars as much as they would like to and they may have no rubber to roll on in a year or so. For the old men in the agency who because of physical infirmity, ill-health or declining years find it difficult to make a sufficient number of personal calls each day to earn the income that they need, the telephone is truly their salvation. They can get around over the city by telephone and eliminate a large part of the walking to and fro that wears them down and uses up their strength that could be better used in a personal interview and actual selling.

Service calls, while they are the foundation upon which the renewal commission is predicated, are wearisome to many agents. There is a piece of business occasionally to be secured this way, but generally the service call is something which merely requires valuable time without any immediate reward.

Aid in Making Service Calls

The telephone can be very helpful to agents in making their service calls, for in a moment's conversation they can find out if the situation has changed so as to require some modification of the policy,



Harry T. Wright

such as change of premium payment method, change of beneficiary, election of some other option, etc.

One agent who used the telephone to follow up direct mail approach qualifies the list as to whether the persons have telephones or not. He follows them about 48 hours after receipt of the letter, using the telephone to secure an appointment. It is his conviction the person who replies to some direct mail offer but will not give an appointment wants the gift instead of the information.

Many agents today are definitely scheduling their use of the telephone, setting aside some particular period of one or two hours daily for this purpose. They follow up age changes this way and other leads, finding that frequently the prospect will give more information over the telephone about himself than face to face. He has less sales resistance that way.

How to Talk Explained

Finally the telephone voice must be pleasant but not sugary. The agent must have confidence but not talk too glibly or brazenly. He must be good natured throughout, because the man can pull the plug on him any time. He must project his personality over a thin wire so he can catch and hold a man's attention for a minute or two. This is not done easily at first but facility comes with use of the telephone. There is definitely an art to it. It is even possible by use of the telephone to build up an appealing sales personality over the wire that the individual does not have in person because then he is not completely at ease and natural.

Anything that needs to be said in such calls can be said unhurriedly. It is disconcerting for a man to have his telephone ring, pick it up and have a machine gun fire of words hurled at him. The normal rate of telephone conversation is said to be about 125 words a minute.

Telephone company officials say the best results are obtained when the person speaks directly into the mouthpiece with the lips not more than a half inch away. They advise against talking from the side of the mouthpiece as a part of the sound strays elsewhere instead of into the telephone. It is well to practice for distinct enunciation, with every word, syllable and sound given its proper form and value.

Personnel Drain Is Effect of War

(CONTINUED FROM PAGE 3)

army specialist corps does not, but service in the WAAC's or WAVE's does. Most companies do not regard home guard service as military in nature unless and until the guard is called out for a protracted period.

Some policyholders have questioned the applicability of the disability and double indemnity exclusions to persons in military or naval service who are on safe home duty or on furlough. Metropolitan has one law suit pending on such a case. However, the clauses, Mr. Bates believes, will be sustained as written. The risk assumed is expressly a limited risk.

Some companies were faced with the menacing question with respect to liability for double indemnity for death of soldiers and sailors at Pearl Harbor or elsewhere last Dec. 7, prior to declaration of war on Dec. 8. The question was whether these deaths occurred "in time of war." While enemy acts determined the commencement of war rather than American declaration, and this view is supported by at least one Civil War case, the companies generally recognized liability for double indemnity on these claims.

War Clauses in Reinstated Policies

There has been some question about insertion of the war clauses in reinstated policies. It is unlikely that many insurance commissioners will press this matter further in view of the expression in a report recently adopted that

war clauses may properly be used in reinstatements applied for more than 90 days after the expiration of the grace. The question is one with respect to which a commissioner's authority is somewhat doubtful, and which must be settled in court actions by lapsed insureds or their representatives against insurers. In the case of a policy converted from group, if the insurer is putting war clauses in all policies, it would seem to have the right to put one in a policy so converted. With respect to conversion from term, it makes a difference whether the conversion is as of the date of the issue of the term policy or as of the current date. In the latter case a war clause may be used, though it would depend upon the wording of the clause.

Policy Litigation Declines

As a result of economic conditions accompanying war, life insurance policy litigation is declining in volume and has been for two or three years. Mr. Bates said that Metropolitan's records indicate policy litigation in volume follows the times, up in depression, down in prosperity, but with a lag.

So far the health of policyholders in this country has not been adversely affected by war conditions, he said, and the volume of war deaths has not yet been sufficient to swing the balance. The first six months of 1942 have registered an improvement over the new low records of mortality established in 1941. The maintenance of favorable living conditions, emphasis on proper diet, and the reduction of the use of motor vehicles seem to be contributing causes. Of course there is always the threat of war deaths among old policyholders, the danger of epidemics encouraged by war conditions, a bad effect on living conditions of pressure work in defense areas, industrial accidents, etc.

War Simplifies Investment Work

The war has probably accentuated the trend toward a lower assumed interest rate on reserves. The war has simplified investment problems because practically all new funds available are going into U. S. securities.

Life company railroad investments have been favorably affected by increased rail traffic. Pending reorganizations are being expedited and others avoided. There is not much new building suitable for real estate investments have restricted this opportunity for output of funds, and there are restrictions on alterations and modernization. Rental income is likewise restricted. The farmer now is prosperous, which has practically eliminated foreclosures by insurance companies, reduced delinquent interest and contributed to repayment and reduction of loans. Fewer new loans are available in the farm field, he said.

War Problems Challenge Life Companies

(CONTINUED FROM PAGE 2)

complications! Who will undertake such trusteeships, with their responsibilities, when only small sums of cash values or death proceeds are involved? What about expenses, delays and the legal problems that must be considered, perhaps by attorneys who are not well informed on fiduciary responsibilities? What will become of settlement options otherwise satisfactory?

Perhaps the legal departments of our home offices can devise a limited assignment form that can be executed by the insured, and which will empower the primary beneficiary to make loans against the loan values of the policy, this assignment to be effective until the assignee's death or until a cancellation is given by the insured. Or a special form of power-of-attorney may be prepared which gives the company unusual but necessary protection and authority.

Here are some of the challenges that will test the ingenuity of the most competent legal or actuarial departments of

Agent Located in Town of 2,300 Writes \$450,000 in 6 Months

Walt B. Mahaffa of Rockwell City, Iowa, is "crazy" about selling life insurance. That is the answer to the enviable record Mr. Mahaffa has established in topping all of the Bankers Life of Iowa agents in the country for the first six months of 1942. He is not resting on his laurels but he is planning on a million dollar year and first place among the Bankers Life agents for 1942. Twice before he has accomplished this, back in 1926 when he wrote \$1,000,000 and again in 1929 when he sold more than \$1,250,000.

Started in Des Moines

This record seems more the remarkable when it is realized Mr. Mahaffa lives in a community with a population of only 2,300. But in that vicinity he is regarded as one of the top life insur-

our companies. Unless they are met, disappointments and suffering resulting from failures of life insurance to perform services needed today will do irreparable harm to the prestige of an institution regarded by all thinking Americans as a "beneficent, protecting, comforting mother of America," an institution that has never forgotten its responsibility to those who have given it their trust.

PROVIDENT MUTUAL PLAN

One large company, the Provident Mutual Life, has just prepared a special power-of-attorney form available only to those in military service. The insured may name two persons as attorneys so that the powers may be exercised by either of them, but it is recommended that these be primary beneficiaries. While the insured may indicate which of several powers he desires to delegate, the right to designate or change the beneficiary may not be given to the attorney-in-fact.

This power-of-attorney incorporates the following authority to the company: "In consideration of any payments which said company may make to my said attorney in reliance on this power of attorney, I hereby agree as follows:

"(a) Until receipt by said company at its home office of a written revocation of this power of attorney or due written proof of my death, said company shall be entitled to assume that this power of attorney remains in full force and effect, and shall be fully protected, as against the claims and demands of myself or any beneficiary or any other person or party, with respect to any transactions with or payments to my said attorney pursuant to the terms hereof. Said company shall have no duty to investigate the reason for the exercise by my said attorney of any power conferred hereby or the disposition of any sums paid to my said attorney pursuant thereto.

"(b) Any and all beneficiary designations now or hereafter outstanding under said policies are hereby made subject and subordinate to this power of attorney; if my said attorney shall collect any dividend, loan, surrender value or other sum under or on account of any of said policies pursuant to this power of attorney and if it shall be shown that I was deceased at the time such payment was made to my said attorney, such payment shall constitute pro tanto a payment of the proceeds of such policy and shall be deductible in ascertaining the net remaining proceeds payable thereunder."

It is not the intention of the company to rely blindly on these protective clauses, but their presence in the power-of-attorney should enable this company at least to permit certain dealings with policies in individual cases which it might otherwise be reluctant to allow. It indicates the possibilities of solution of the problem.

ance salesmen in the country and that gives him quite a prestige.

Mr. Mahaffa started selling insurance for the Bankers Life in April, 1921, in Des Moines after an early career in the shoe business. Several years later he moved to Rockwell City as an agent and since has operated under the Des Moines agency which is headed by W. K. Niemann, one of the leading general agents in the country. But even Mr. Niemann admits that he has had little to do in encouraging Mahaffa on.

As Mr. Niemann explained it, Mr. Mahaffa's No. 1 rule is—work. Mr. Niemann says he expects his men to do a minimum job—not work at averages.

Mr. Mahaffa's work sheet showed he put in 88½ hours one week in which he wrote \$52,500 of business. It was one of the weeks in June in which three straight weeks he topped all of the Bankers Life agents in the country and for the month as a whole wrote \$141,000 of business.

For the first six months of 1942 he nearly wrote \$450,000 of life insurance which even exceeded his 1941 mark of \$352,840. But there is a story behind his 1941 record. And it demonstrates how Mr. Mahaffa operates. He just quit work to lay plans for a new home and stayed off the job until it was completed. It would have been impossible for him to attempt to work and build the house at the same time. He just doesn't operate that way.

Sells Chiefly to Dirt Farmers

Mr. Mahaffa sells 90 percent of his business to dirt farmers and even the other 10 percent goes to persons living in rural areas. He operates in two counties, Calhoun and Sac, and sometimes he gets up at 4 a. m. to start his day, and leaves his home by 6 a. m. to start driving out in the country. Many times he can be found talking insurance to the farmers before they start out milking the cows in the morning, and that is early—ask anyone from the rural areas. His days are long and usually it is about 10 p. m. when he returns home. His average day runs from 15 to 16 hours.

That is the answer to Mr. Mahaffa's record. He gets up early and works hard and long hours. He is the steady plugging type, convincing in his talk and mannerisms and thorough in his work.

People More Insurance Minded

Mr. Mahaffa's policies are now averaging around \$2,000 each, slightly ahead of previous years. He believes the people have been made more insurance minded by the war and government insurance and sees a great future in life insurance despite the war.

He has a system of getting prospects that is unique in that it is sure fire.

His centers of influence are contact men—about 10 of them—scattered throughout his territory. Most of them are bankers who get to know their people and know when they can afford life insurance. These men lay the first foundation for Mr. Mahaffa and then turn the prospect over to him. Usually the case is so well started that almost always it results in more policyholders for the Bankers Life agent. One check of his work sheet showed 10 sales out of 12 interviews.

To Honor President Adams

With war savings bonds and stamps as the prizes, Ohio State Life will launch a campaign in honor of President Claris Adams on Sept. 1, continuing through Oct. 31.

In addition to the prizes the President's Victory Trophy will be awarded the top agency. The Cleveland agency under Carl Adams won it last year.

Payne Appoints Assistants

W. S. Payne, manager of the ordinary "A" general agency of Prudential in Los Angeles, has appointed T. R. Macauley as assistant manager, H. D. Stevenson, assistant manager in charge of the Long Beach branch, and A. B. Horn, agency assistant in charge of recruiting and training full time agents.

VIEWS AT N.A.L.U. WARTIME MEETING IN CHICAGO



E. J. Dore, Mutual Benefit, Detroit, new N.A.L.U. trustee; Harold Brogan, Ohio National Life, Lansing, president Michigan state association, and A. Wilbur Nelson, Institute of Life Insurance.



James E. Rutherford, executive vice-president N.A.L.U., and Holgar J. Johnson, president Institute of Life Insurance.



Adam Rosenthal, Acacia Mutual Life, St. Louis, and A. W. Moore, New England Mutual, Philadelphia, sergeant-at-arms.



Above—Paul Hazard, Home Life, Chicago; John F. Ramsey, Mutual Benefit, Chicago; Dorothy Toomey, secretary to Phil B. Hobbs, Equitable Society, Chicago, and L. L. Mackey, Home Life, Detroit.

Below—R. R. Reno, Equitable Society, Chicago, and Chester O. Fischer, vice-president Massachusetts Mutual Life.



Credentials committee at work—W. E. North, New York Life, Chicago; J. H. Sharpe, General American Life, Ft. Worth; L. L. Mackey, Home Life, Detroit; Marc Law, National Life, Chicago, and P. B. Turner, Home Life, Kansas City.



Ray Hodges, superintendent of agents Ohio National Life; Herbert L. Smith, Northwestern Mutual Life, Harrisburg, and E. T. Proctor, Northwestern Mutual, Nashville.



NATIONAL LIFE INSURANCE
COMPANY

HOME OFFICE
MONTPELIER

VERMONT

MESSAGE
to
BROKERS

THE CHIN OF MOUNT MANSFIELD

"As Solid as the Granite Hills of Vermont"

What can WE do for YOU!

In these days of priorities, rations, war clauses, enlistments and a host of other problems MINUTES are more important than ever before.

The services you are accustomed to extending to your clients must be curtailed unless you can pass along part of the load.

Our general agencies are ready and anxious to help you solve some of the Life Insurance problems which confront you today.

The NATIONAL LIFE is one of the lowest net cost companies in the business. Typical Vermont conservatism has enabled the Company to show an enviable dividend history but has not prevented the National from being as progressive and liberal as is consistent with sound management.

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